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STANDING COMMITTEE ON FOOD, CONSUMER AFFAIRS AND PUBLIC DISTRIBUTION (2012-2013)

FIFTEENTH LOK SABHA

MINISTRY OF CONSUMER AFFAIRS, FOOD AND PUBLIC DISTRIBUTION (DEPARTMENT OF FOOD AND PUBLIC DISTRIBUTION)

{Action Taken by the Government on the observations/recommendations contained in the Seventeenth Report of the Committee (2011-12) on Demands for Grants (2012-13) pertaining to the Ministry of Consumer Affairs, Food and Public Distribution (Department of Food and Public Distribution)}

TWENTY-FOURTH REPORT

LOK SABHA SECRETARIAT
NEW DELHI

December, 2012/ Agrahayana, 1934 (Saka)

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Presented to Lok Sabha on **18.12.2012**

Laid in Rajya Sabha on **18.12.2012**

LOK SABHA SECRETARIAT
NEW DELHI

December, 2012/ Agrahayana, 1934 (Saka)

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COMPOSITION OF THE STANDING COMMITTEE ON FOOD, CONSUMER AFFAIRS AND PUBLIC DISTRIBUTION (2012-13)

Shri Vilas Muttemwar - *Chairman*

MEMBERS

Lok Sabha

2. Smt. Harsimrat Kaur Badal
3. Shri Shivraj Bhaiya
4. Shri Kantilal Bhuria
5. Shri Arvind Kumar Chaudhary
6. Shri Harishchandra Chavan
7. Shri Sanjay Dhotre
8. Shri Eknath M. Gaikwad
9. Shri Abdul Mannan Hossain
10. Shri Prataprao Ganpatrao Jadhav
11. Shri Sohan Potai
12. Shri Ponnam Prabhakar
13. Shri A. Sai Prathap
14. Shri C. Rajendran
15. Shri Purnmasi Ram
16. Shri Chandulal Sahu (Chandu Bhaiya)
17. Shri Adhi Sankar
18. Shri N. Chaluvaraya Swamy
19. Shri Jagdish Thakor
20. Shri Laxman Tudu
21. Vacant*

Rajya Sabha

22. Dr. Bhushan Lal Jangde
23. Shri Lalhming Liana

24. Dr. Bharatkumar Raut
25. Ms. Rekha
26. Dr. N. Janardhana Reddy
27. Dr. T.N. Seema
28. Shri Birender Singh
29. Shri Veer Singh
30. Shri Kaptan Singh Solanki
31. Vacant

*** Shri Lal Chand Kataria, MP appointed Minister w.e.f 28.10.2012**

SECRETARIAT

1.	Shri P. K. Misra	-	Joint Secretary
2.	Smt. Veena Sharma	-	Director
3.	Shri Khakhai Zou	-	Under Secretary

INTRODUCTION

I, the Chairman of the Standing Committee on Food, Consumer Affairs and Public Distribution (2012-13) having been authorized by the Committee to submit the Report on their behalf, present this Twenty-fourth Report on Action Taken by the Government on the Observations/Recommendations contained in the Seventeenth Report of the Committee (2011-12) on Demands for Grants (2012-13) of the Ministry of Consumer Affairs, Food and Public Distribution (Department of Food and Public Distribution).

2. The Seventeenth Report was presented to Lok Sabha and laid in Rajya Sabha on 3rd May, 2012. The Government have furnished their replies indicating Action Taken on the recommendations contained in the Report on 1st August, 2012.

3. The Report was considered and adopted by the Committee at their sitting held on 11th December, 2012.

4. An analysis of the action taken by the Government on Observations/ Recommendations contained in the Report is given in **Appendix II**.

5. For facility of reference and convenience, the Observations/ Recommendations of the Committee have been printed in thick type in the text of the Report.

NEW DELHI;
11th December, 2012
20 Agrahayana, 1934 (Saka)

VILAS MUTTEMWAR,
Chairman,
Standing Committee on Food,
Consumer Affairs and Public Distribution.

CHAPTER - I

REPORT

This Report of the Standing Committee on Food, Consumer Affairs and Public Distribution deals with the Action Taken by the Government on the Observations/Recommendations contained in the Seventeenth Report of the Committee (15th Lok Sabha) on Demands for Grants (2012-13) pertaining to the Ministry of Consumer Affairs, Food and Public Distribution (Department of Food and Public Distribution).

1.2 The Seventeenth Report was presented to Lok Sabha and laid on the Table of Rajya Sabha on 03.05.2012. It contained 27 observations/ recommendations. Action Taken Replies in respect of all the 27 observations/recommendations contained in the Report have been received and these have been categorized as follows:-

(i) Observations/Recommendations which have been accepted by the Government :

Serial Nos.:- 1, 3, 5, 6, 7, 8, 13, 14, 16, 17, 19, 21, 23, 25, 26 and 27.

Paragraph Nos:- 2.6, 3.14, 3.17, 3.33, 3.42, 3.52, 4.23, 4.42, 4.44, 4.48, 5.9, 5.17, 6.10, 6.20, 7.7 and 7.13.

(Chapter – II, Total - 16)

(ii) Observations/Recommendations which the Committee do not desire to pursue in view of the replies received from the Government

Serial Nos. 10, 11, 12, 18, 22 and 24

(Paragraph Nos. – 4.7, 4.12, 4.17, 5.7, 6.7and 6.15)

(Chapter – III, Total - 6)

(iii) Observations/Recommendations in respect of which replies of the Government have not been accepted by the Committee and which require reiteration:

Serial No. 2 and 15

(Paragraph No. 3.7 and 4.43)

(Chapter – IV, Total -2)

(iv) Observations/Recommendations in respect of which the interim replies of the Government have been received.

Serial No.:- 4, 9 and 20.

(Paragraph No. – 3.15, 3.60 and 5.13)

(Chapter – V, Total - 3)

1.3 The Committee desire that the final replies in respect of the Observations/Recommendations for which only interim replies have been received from the Government alongwith the replies on recommendations contained in Chapter-I of this Report be furnished to the Committee within three months of the presentation of this Report.

1.4 The Committee strongly emphasize that utmost importance should be given to the implementation of Observations/Recommendations accepted by the Government. In case where it is not possible for the Government to implement the recommendations in letter and spirit for any reason, the matter should be reported to the Committee in time with reasons for non-implementation.

1.5 The Committee will now deal with action taken by the Government on some of the recommendations.

A. Need to adopt DCP Scheme by all States/UTs

Recommendation (Serial No. 2, Para No. 3.7)

1.6 The Committee in their original report observed/recommended as follows:

'The Committee note that the Decentralized Procurement Scheme (DCP) like other schemes of the Department also suffers for want of infrastructural facilities, timely release of funds, submission of utilization certificates and proper planning for distribution of foodgrains. Besides, even after 13 years of its inception, the DCP scheme was undertaken by only 6 States for wheat and 10 States for rice. The Committee feel that DCP scheme is one of the most important schemes being implemented with a view to lessening the burden of FCI and reducing the dependence of Central Government. The Committee feel that the Department/FCI should create necessary infrastructure in coordination with the State Governments in Public Private Partnership (PPP) mode in a time bound manner by using the modern scientific technology so that more and more States opt for the DCP Scheme for procurement of foodgrains. The Committee desire that the Department should also take vigorous steps to motivate the remaining States to adopt the DCP scheme. The specific benefits of adopting the scheme along with the achievement of DCP States should be duly communicated at the highest level through various meetings so as to persuade the States to contribute towards the Central Pool thereby enhancing food security.'

1.7 The Ministry in their action taken reply have stated as under:-

The Scheme of Decentralised Procurement (DCP) of foodgrains was introduced in 1997-98 with a view to enhance the efficiency of procurement and PDS and to encourage local procurement and reduce out go of food subsidy. In it, the States undertake the responsibility of procurement of foodgrains, its scientific storage and distribution through Targeted Public Distribution System (TPDS). The surplus of foodgrains procured by DCP States, in excess of their TPDS requirement is handed over to FCI for the Central Pool stocks and deficit, if any, is met by FCI.

The decision regarding adoption of DCP system lies with the State Governments. The determining factors are infrastructure and resources available with the respective State Governments including manpower, storage and necessary logistics required for procurement and accordingly, State Government's readiness to undertake DCP procurement.

The major infrastructure required for procurement operation is the storage facilities for the foodgrains. For this purpose the Government has launched the Private Entrepreneur Guarantee(PEG) scheme. A capacity of about 151 lakh tonnes is to be created in 19 States under the PEG scheme through private entrepreneurs and Central and State Warehousing Corporations.

At present the States of West Bengal, Madhya Pradesh, Chhattisgarh, Uttrakhand, Andaman & Nicobar Islands, Odisha, Tamil Nadu, Karnataka and Kerala are procuring rice under the decentralized procurement scheme. The States of West Bengal, Madhya Pradesh, Chhattisgarh, Uttarakhand and Gujarat are procuring wheat under the DCP Scheme. Government of Uttar Pradesh had been procuring rice under the DCP Scheme upto KMS 2008-09 but have discontinued the system after this period. Government of Andhra Pradesh, Delhi, Haryana and Sikkim have conveyed their inability to adopt the DCP system of procurement of foodgrains due to infrastructural problems. The Government of India is actively pursuing this issue with the remaining State governments and all possible efforts will be made to encourage the remaining states to adopt the DCP scheme. The Governments of Andhra Pradesh, Assam, Bihar, Jharkhand, Rajasthan and J&K have again been requested to adopt the DCP Scheme. Government of Uttar Pradesh has also been requested to again adopt the DCP scheme.'

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1.8 In their original report, the Committee had observed that even after 13 years of its inception, DCP Scheme had been adopted only by 6 States for Wheat and 10 States for rice, mainly due to lack of infrastructural facilities, untimely release of funds and non submission of utilization certificates etc. The Committee had, therefore, desired that the Department should create necessary infrastructure in coordination with the State Governments and take vigorous steps to motivate the remaining States/UTs to adopt the DCP Scheme. In their action taken reply, the Government have, inter-alia, stated that the DCP Scheme of foodgrains was introduced in 1997-98 with a view to enhancing the efficiency of procurement and PDS to encourage local procurement and reduce outgo of food subsidy. The decision regarding adoption of DCP scheme lies with the State Governments which is determined by infrastructure and resources availability. At present, nine States are procuring rice and five States are procuring wheat under the DCP Scheme. Government of Uttar Pradesh which had been procuring rice has discontinued the system after KMS 2008-09. Four States namely, Andhra Pradesh, Delhi, Haryana and Sikkim have conveyed their inability to adopt the DCP Scheme due to infrastructural problems. The Department have again requested seven States namely, Andhra Pradesh, Assam, Bihar, Jharkhand, Rajasthan, Jammu & Kashmir and Uttar Pradesh to adopt the DCP Scheme. The Committee feel that the efforts so far made by the Government to convince the States for adoption of DCP Scheme are not sufficient and need to be enhanced. While reiterating their earlier recommendation, the Committee desire that not only few States, but all States/UTs should be vigorously persuaded to adopt the DCP Scheme at the earliest particularly keeping in view the impending implementation of the National Food Security Bill. The Government should also extend all possible assistance to the State Governments/UT Administration for creation of necessary infrastructure required for adoption of DCP Scheme.

B. Need to implement Nine-Point Action Plan by all the States/UTs

Recommendation (Serial No. 6, Para No. 3.33)

1.9 The Committee in their earlier report observed/recommended as follows:-

The Committee note that the Government of India launched the Targetted Public Distribution System (TPDS) in June, 1997 with a view to making foolproof arrangements for identification of poor population for delivery of foodgrains through FPS at subsidized rates. The poorest of the poor persons are distributed the foodgrains at the lowest price i.e. Rs. 2 per kg of wheat and Rs. 3 per kg. of rice under the Antyodaya Anna Yojana (AAY) Scheme. The Government has adopted Nine Point Action plan in July 2006 to make TPDS more effective. The Committee regret to note that despite various measures taken by the Government to streamline and strengthen the TPDS, there is no satisfactory improvement in its functioning. There is error in inclusion and exclusion of targeted families in the list of BPL and AAY families. Besides, the diversion and leakage of foodgrains has become a more serious problem in the States. The Citizen's Charter issued by GOI in July 2007 to increase the transparency in the functioning of TPDS has not yet been adopted by all the States/UTs. Upto 31.01.2012, 22 States/UT Government have reported implementation of monthly certification scheme. In the opinion of the Committee, this could be attributed to weak monitoring over the scheme on the part of the Department and lack of coordination with the State Governments. Consequently, a large number of poor families are being deprived of the benefits of the subsidized foodgrains. The Committee, therefore, recommend that the Department should make concerted efforts to persuade all the State Governments/UTs to implement the Nine Point Action Plan, monthly certification scheme and Citizen's Charter and closely monitor the implementation of the scheme so that the AAY and BPL families get their due share of foodgrains. The Department should also impress upon all the States/UTs to follow the guidelines laid down in the revised Citizen's Charter to ensure food security to weaker sections of the society under TPDS.

1.10 The Ministry in their action taken reply have stated as under:-

The recommendations of the Committee have been noted by the Department. All States/UTs have been instructed to implement the provisions contained in Nine Point Action Plan and the Citizen’s Charter in letter and spirit. Further, the remaining States/UTs who have not reported implementation/adoption of the revised Citizen’s Charter and who have not introduced monthly certification by village panchayats/urban local bodies/vigilance committees/women’s Self Help Groups for delivery of food grains to fair price shops in time and their distribution to ration card holders have been advised again to take necessary measures for their implementation at the earliest.

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1.11 The Committee in their original report had noted that the Government adopted Nine-Point Action Plan in July, 2006 to make TPDS more effective but despite various measures taken by the Government to streamline the functioning of TPDS, there was no satisfactory improvement in its functioning. The Committee, therefore, had recommended that the Department should make concerted efforts to persuade all the State Governments/UTs to implement the Nine-point Action Plan, monthly certification scheme and Citizens' Charter and closely monitor the implementation of the scheme so that the AAY and BPL families get their due share of foodgrains. In their action taken reply, the Government have stated that the recommendation of the Committee have been noted by the Department and all States/UTs have been instructed to implement the provisions contained in the Nine-point Action Plan and the Citizens' Charter in letter and spirit. It is further stated that the remaining States/UTs who have not reported implementation/adoption of the revised Citizens' Charter and also not introduced monthly certification by Village Panchayats/Urban Local Bodies/Vigilance Committees/Women Self-help Groups for delivery of foodgrains to Fair Price Shops in time have been advised again to take necessary measures for their implementation at the earliest. However, the Department have not mentioned any details as to whether any of the States/UTs have taken any action in pursuance to their instructions. The Committee, therefore, urge the Department to ascertain from all the States/UTs about the present status regarding implementation of the Nine-Point Action Plan and revised Citizens' Charter and apprise the Committee.

C. Need to install GPS Sets on vehicles carrying TPDS Commodities

Recommendation (Sl. No. 7, Para No. 3.42)

1.12 The Committee in their original report observed/recommended as follows:

'The Committee note with concern that as per the findings of the National Council for Applied Research (NCAER), the level of diversion of wheat in Assam and Mizoram is 100 per cent for APL whereas in case of rice, it is 83.38 per cent and 81.12 per cent for APL families in the two States respectively. This shows that foodgrains meant for APL families have not reached to them at all in these two States. The level of diversion of wheat for APL in respect of Chhattisgarh and Jharkhand is 78.34 per cent and 54.53 per cent, respectively. In order to curb diversion and leakages of foodgrains meant for TPDS, Government is taking up piloting of innovative/new technologies such as GPS, RFIDs, barcoded coupons, stamping of PDS foodgrains, etc. The Committee hope that GPS devices would be installed in the vehicles carrying TPDS foodgrains/goods in all the States/UTs of the country on top priority basis to curb the menace of diversion and leakages of foodgrains, meant for poorest of the poor, to be allocated through PDS.'

1.13 The Ministry in their action taken reply have stated as under:-

'In this connection, it is mentioned that under a Plan Scheme on strengthening of TPDS, the Government has taken up a innovative scheme i.e. installation of Global Positioning System (GPS) sets on the vehicles carrying TPDS commodities in order to curb leakages and diversion of foodgrains. Under this Scheme, financial assistance of Rs.44.76 lakh was given in 2007-08 to the State Governments of Tamil Nadu, Chhattisgarh and Delhi for installation of GPS devices on the vehicles carrying TPDS foodgrains. Governments of Tamil Nadu and Chhattisgarh have reported the implementation of the said scheme.

Government of Tamil Nadu who have implemented the system in two districts have reported that (i) the quantities of foodgrains allotted from FCI to the indented godowns reached without single case of diversion (ii) it has created moral fear among those involved in transportation of PDS items and it has (iii) enabled the civil supplies department and other vigilance agencies to track the movement of vehicles carrying PDS items at short notice and avoided delays in transportation.

Government of Chhattisgarh have reported that after installation of GPS sets on vehicles carrying TPDS commodities, from the distribution centres, such vehicles are reaching their destination/intended places and no irregularities of any kind have been noticed.

On a further request from Government of Chhattisgarh, a further sum of Rs.1,11,00,900/- has been sanctioned and released to State Government of Chhattisgarh in 2011-12 for purchase/installation of GPS sets on vehicles carrying TPDS commodities.

Subsequently, it was decided to extend this scheme in all the States/Union Territories (UTs) in the financial year 2011-12 and proposals were invited from States/UTs for sanctioning funds under the scheme. State/UT Governments have again been requested in May, 2012 to send proposals for sanctioning of funds under the scheme during 2012-13 for installation of GPS sets on vehicles carrying TPDS commodities'.

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1.14 Having noted that the level of diversions/leakages of foodgrains meant for TPDS was very high in many States, the Committee in their original report had expressed the hope that the GPS devices would be installed in the vehicles carrying TPDS foodgrains/goods in all States/UTs of the country on top priority basis to curb the menace of diversion and leakages of foodgrains. In their action taken reply, the Department have stated that financial assistance of Rs. 44.76 lakh was given in 2007-08 to the State Governments of Tamil Nadu, Chattisgarh and Delhi for installation of GPS devices on vehicles carrying TPDS foodgrains. The Government of Tamil Nadu and Chattisgarh have reported implementation of the scheme. Government of Tamil Nadu have implemented the system in 2 districts and reported that as a result thereof, the quantities of foodgrains allotted from FCI to the intended godowns reach without a single case of diversion and it has created moral fear among those involved in transportation of TPDS commodities and enabled the Civil Supplies Department and other vigilance agencies to track the movement of vehicles carrying TPDS items at short notice. Government of Chattisgarh also reported that no irregularities of any kind were noticed after installation of the GPS device on vehicles carrying TPDS foodgrains. Subsequently, it was decided to extend the scheme in all States/UTs in the financial year 2011-12 and proposals were invited from States/UTs for sanctioning of funds under the scheme. State/UT Governments have again been requested in May, 2012 to send proposals for sanctioning of funds under the scheme during the year 2012-13 for installation of GPS devices on vehicles carrying TPDS foodgrains. Having observed that diversion and leakages of foodgrains is a major problem in the way of smooth functioning of TPDS, the Committee are pained to note that so far GPS devices have been implemented in 2 States only and proposal for implementation of the devices is still awaited from rest of the States/UTs. Considering that the National Food Security Bill is being implemented shortly, the Committee feel that there is an urgent need to install GPS devices on vehicles carrying TPDS foodgrains. The Committee, therefore, urge the Department to expedite the process of

obtaining proposals from all the States/UTs and also speedily sanction the funds for installation of GPS devices on vehicles carrying TPDS foodgrains to the States/UTs on top priority to curb the diversion/leakage of foodgrains.

D. Need to supply rakes of atleast 90% of the requirement of FCI by railways

Recommendation (Sl.No.15, Para No. 4.43)

1.15 The Committee in their original report observed/recommended as follows:

'The Committee note that there is shortfall in the supply of rakes by Railways vis-à-vis the plan of FCI for meeting the PDS requirement in the country. The Committee have been informed that during 2011-12, FCI had planned movement for 13,215 rakes but railways supplied only 10,969 rakes which is about 83% of the planned movement. FCI could have moved about 60 lakh tonnes additional foodgrains if this shortage was not there. Due to this shortfall, many States, especially the two high procuring States i.e. Punjab and Andhra Pradesh have been affected. The other States affected are M.P. (about 6 lakh tones), Chhattisgarh (about 5 lakh tonnes) and Haryana (about 7 lakh tonnes). The Committee have been further informed that FCI prepares monthly Movement Plan based on computerized linear programming indicating date-wise, destination-wise requirement of rakes but railways during 2011-12 has complied with only 40% of the linear programming. The unplanned rakes sent by Railways lead to bunching, detention and consequently FCI suffers financial loss because huge amounts have to be paid to the railways in the form of demurrages. Recently, railways have started imposing 6 times demurrages without considering their own operational problems which is one of the reasons for detention of rakes.

During evidence, the representatives of the Department further informed the Committee that there are large number of railways sidings/goodsheds where the platform itself cannot accommodate full rake i.e. about 40 to 42 wagons. The States where this problem exits are Kerala, Bihar, West Bengal and Jharkhand. According to the Department, Railway Board itself has approved supply of rakes at these locations as two point combinations. But subsequently railway authorities impose restrictions on two point combinations for more than 6 months in a year which leads to problem of detention and inadequate supply of foodgrains on these locations. The Committee desire that Department should regularly monitor the movement of foodgrains and coordinate with railway authorities for additional supply of rakes on priority basis to augment foodgrain stock in the State where shortfall of foodgrains is reported. In the light of the above circumstances/observations, the Committee, also desire the Department to communicate the concern of the Committee to the Ministry of Railways to explore the feasibility of supplying the rakes of atleast 90% of the requirement of FCI and not to impose restrictions on loading under two point combinations for the states of Kerala, West Bengal, Bihar and Jharkhand so that FCI can ensure movement of foodgrains in these States without any hindrance.'

1.16 The Ministry in their action taken reply have stated as under:-

'The Department regularly monitors the movement of foodgrains and takes up the matter with FCI and Railways, in case any shortfall in foodgrain stocks is reported in any State and coordinates for providing additional rakes on priority to augment the foodgrain stocks in that State.

FCI requires rakes under two point combinations throughout the year as some of the centres in Kerala, Jharkhand, Bihar and West Bengal can accommodate rakes in two point combination only. But Railways invariably stops sponsoring rakes under two point combinations during the busy season i.e. from November to April every year. At present the situation is better due to ongoing lean season.

As recommended by the Committee, the issue of supplying at least 90% rake requirement of FCI and not to impose restrictions on loading of two point combinations has been taken up with Ministry of Railways.'

[Ministry of Consumer Affairs, Food & Public Distribution
Department of Food and Public Distribution
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1.17 The Committee in their original report had observed that there was shortfall in the supply of rakes by Railway vis-à-vis the plan of FCI for meeting the PDS requirement in the country. In 2011-12, FCI could have only 83% of the planned movement which affected two high procuring States i.e. Punjab and Andhra Pradesh. The Committee further observed that the FCI prepares monthly movement plan based on Computerized Linear Programming indicating date-wise, destination-wise requirement of rakes but railways could supply only 40% of the linear programming during 2011-12. Railway authorities also imposed restrictions on Two-point combinations which are provided at the Railway sidings/goods sheds where the platform itself cannot accommodate full rake e.g. in States like Kerala, Bihar, West Bengal and Jharkhand, for more than 6 months in a year, which leads to detention and inadequate supply of foodgrains on these locations. The Committee had, therefore, desired that the Department should communicate to the Ministry of Railways the need to explore the feasibility of supplying at least 90% of the requirement of rakes of FCI and not to impose restrictions on loading under Two-point combinations so that FCI could ensure movement of foodgrains in these States without any hindrance. The Ministry in their action taken reply have stated that the Department regularly monitors movement of foodgrains and takes up the matter with FCI and railways. FCI requires rakes under Two-point combination throughout the year in these States but railways invariably stops sponsoring rakes under Two-point combination during busy season i.e. from November to April, every year. The Department have further stated that the issue of supplying at least 90% rakes requirement to FCI and not to impose restrictions on loading under Two-point combination has been taken up with the Ministry of Railways. The Committee are not satisfied with the reply of the Department as they have not indicated as to at what level the matter has been taken with the Ministry of Railways and what has been the outcome thereof. While reiterating their recommendations the Committee desire that the matter should be followed closely with the Ministry of Railways and the Committee be apprised of the outcome thereof.

E. Need to dedicate special wagons for movement of foodgrains to avoid contamination

Recommendation (Sl. No.16, Para No. 4.44)

1.18 The Committee in their original report observed/recommended as follows:

'The Committee have been informed during evidence that the railways supply general purpose wagons for loading of foodgrains, which are also used for loading cement, fertilizers and other general goods. They do not earmark specific rakes for loading of foodgrains. The Committee feel that there is imperative need to supply wagons which are free from remains of dust, coal, cement and fertilizers before they are loaded with foodgrains/sugar. The Committee, therefore, feel that there is laxity on the part of Department of Food and Public Distribution, FCI and railways authorities in accepting and supplying wagons which are not fit to transport foodgrains and may cause serious health hazards to consumers. The Committee, therefore, strongly recommend that under no circumstances wagons which are used for transporting cement, fertilizers, coal etc. be used for transportation of foodgrains. The Committee recommend that Government should take up the matter with the Ministry of Railways for providing special wagons instead of general purpose ones for the transportation of foodgrains so that the quality of foodgrains remain intact till it reaches its final destination'.

1.19 The Ministry in their action taken reply have stated as under:-

'The Railways are supposed to supply clean and tidy wagons for loading of foodgrains. In case any un-cleaned wagons are provided by the Railways, the Railway authorities are requested to get the same cleaned before loading the foodgrain stocks. If the wagons are not cleaned by the Railways on the request of FCI, the same are got cleaned by FCI before loading the stocks to avoid any contamination of the foodgrains.

The matter has been taken up with Ministry of Railways to provide special wagons for transporting foodgrains'.

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1.20 In their original report, the Committee observed that the railways did not earmark specific rakes for loading of foodgrains and felt that if wagons which are used for movement of other materials such as cement, fertilizers etc., are also used for movement of foodgrains, it may cause serious health-hazards to the consumers. Considering these facts, the Committee had strongly recommended that the Government should take up the matter with the Ministry of Railways to ensure that under no circumstances, wagons which are used for transporting cement, fertilizers etc., be used for transportation of foodgrains. The Department in their action taken reply merely stated that the railways are supposed to supply clean and tidy wagons for loading of foodgrains and in case any unclean wagons are provided by the railways, the railway authorities are requested to get the same cleaned before loading of foodgrains. The Department further stated that the matter has been taken up with the Ministry of Railways to provide special wagons for transporting foodgrains. The Committee are not satisfied with the reply of the Ministry as it does not indicate any improvement in the situation. Following the implementation of the National Food Security Bill, it is expected that the quantum of movement of foodgrains would substantially increase in all parts of the country. The Committee, therefore, urge the Department to take up the matter with the Ministry of Railways more vigorously and ensure that special wagons for transportation of foodgrains only are supplied by the railways to the FCI. The Committee be apprised of the outcome in this regard.

F. Need to check adulteration of edible oils and ensure its quality control

Recommendation (Serial No. 27, Para No. 7.13)

1.21 The Committee in their original report observed/recommended as follows:

'The Committee are concerned to note that the number of surprise visits and other inspections of the vanaspati manufacturing units carried out by the officials of DVVO&F and samples analyzed for the last three years is on the decline. The number of inspections done during 2010-11 was 915 which declined to 290 during 2011-12. Similarly, number of samples analyzed during the year 2010-11 was 3180 which declined to 2299 in 2011-12. The Committee feel that in a vast country like ours where edible oils are the main cooking medium and adulteration of edible oils is so widespread, number of inspections being carried out and samples being analyzed are almost negligible. The Committee, therefore, recommend that to keep a check on the adulteration of edible oils which is so rampant in our country, and to ensure quality control, the number of inspections and samples analysis should be increased and strict action should be taken against the offenders'.

1.22 The Ministry in their action taken reply have stated as under:-

'The Directorate of Vanaspati, Vegetable Oils and Fats (DVVO&F) was entrusted with inspection and analysis of samples from industries at the production level under Vegetable Oil Products (Regulation) Order, 1998. The regulatory functions have been taken over by FSSAI under Food Safety and Standards Act, 2006 which has been implemented w.e.f. 5th August, 2011. The work of inspection and analysis of samples has been entrusted with Food Safety and Standards Authority of India (FSSAI) w.e.f. 5th August, 2011. Therefore the number of inspections carried out and number of samples analyzed by the officials of DVVOF is less during 2011-12 which is upto 4th August, 2011 as compared to previous year 2010-11.

The matter has been taken up with Food Safety and Standards Authority of India (FSSAI) (Ministry of Health and Family Welfare). As per information received from FSSAI, the Food Safety and Standards Act, 2006 was passed by the Parliament during 2006 in order to consolidate all the laws relating to food and to establish the Safety and Standards Authority of India (FSSAI) for laying down science based standards for articles of food and to regulate their manufacture, storage, distribution, sale and import, to ensure availability of safe and wholesome food for human consumption and for matters connected therewith or incidental thereto. By virtue of the mandate given to FSSAI, Rules and Regulations hitherto implemented under various regulatory orders had been repealed with effect from 5th August 2011. These repealed orders include (i) Prevention of Food Adulteration Act, 1954; (ii) Vegetable Oil Products (Regulation) Order, 1998; (iii) Edible Oils Packaging (Regulation) Order, 1998

and (iv) Solvent Extracted Oils, De-oiled Meals and Edible Flour (Control) Order, 1967.

Various Regulations have been notified and being implemented with effect from 5th August 2011 under the Food Safety and Standards Act, 2006. Granting of Licenses and Registrations to Food Business Operator are in progress. Various Enforcement machineries have been put in place to ensure effective Enforcement of the Act and Regulations notified therein. All the States/UTs have notified their Food Safety Commissioners. Testing Laboratories, both Governmental and Private, had been accredited for smooth disposal of samples from throughout the country. Various laboratories in States/UTs have been authorized to carryout analysis of Food samples including edible oils'.

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1.23 The Committee in their original report noted that the number of surprise visits and other inspections of the Vanaspati Manufacturing Units carried out by the officials of Directorate of Vanaspati Vegetable Oils and Fats (DVVO&F) and samples analyzed had declined during the year 2010-11. In case of number of inspection done, it declined from 915 during the year 2010-11 to 290 during 2011-12. Similarly, the number of samples analyzed during 2010-11 was 3180 which declined to 2299 in 2011-12. The Committee had accordingly recommended that adulteration of edible oils which is so rampant in our country should be kept in check and the quality of edible oils should be ensured by increasing the number of inspections and samples analysis, apart from taking strict action against the offenders. In their action taken reply, the Department have stated, inter-alia, that DVVO&F was entrusted with inspection and analysis of samples from industries at the production level under Vegetable Oil Products (Regulation) Order, 1998. However, the regulatory functions have been taken over by Food Safety and Standards Authority of India (FSSAI) w.e.f. 5th August, 2011 under the Ministry of Health and Family Welfare. Therefore, the number of inspections carried out and number of samples analyzed by the officials of DVVOF is less during 2011-12 which is upto 4th August, 2011 as compared to previous year 2010-11. It is further stated that the matter has been taken up with Food Safety and Standards Authority of India as per information received from Food Safety and Standards Authority of India (FSSAI), by virtue of mandate given to FSSAI, Rules and Regulations hitherto implemented under various regulatory

orders have been repealed with effect from 5th August, 2011 e.g. (i) Prevention of Food Adulteration Act, 1954 (ii) Vegetable Oil Products (Regulation) Order, 1998 and (iii) Edible Oils Packaging (Regulation) Order, 1998, etc. The Committee hope that these Orders will be strictly enforced to maintain food safety standards and to check the adulteration of edible oils which is so rampant in our country.

CHAPTER II

OBSERVATIONS/RECOMMENDATIONS WHICH HAVE BEEN ACCEPTED BY THE GOVERNMENT

Recommendation (Serial No.1, Para No. 2.6)

2.1 The Committee note that BE of the Department for the year 2011-12 was Rs. 120 crore for its Plan Schemes which was reduced to Rs. 93.48 crore at RE stage and the actual expenditure incurred up to 31.03.2012 was Rs. 91.17 crore which indicates 97.5% utilization of RE. The Committee note that for Non-Plan Schemes during 2011-12, BE was Rs.72211.32 crore which was raised to Rs. 84393.93 crore at RE stage but actual expenditure was Rs.72726.67 crore. The Committee feel that revising the estimate at RE stage and then not utilizing the revised allocated funds shows lack of perspective planning on the part of the Department. The Committee further note that in Non-Plan Schemes, there is under spending in various Schemes such as Scheme for `financial assistance to sugar undertakings', `reimbursement export shipment of internal transport and freight charges to sugar factories', `Indian Grain Storage Management & Research Institute(IGMRI)', `modernization/rehabilitation of sugar mills', etc. In view of the above observations, the Committee strongly recommend that Department should make advance and better planning to fix realistic targets so as to avoid fluctuations in allocation of funds at RE stage and ensure that the allocations earmarked for different schemes are fully utilized during the year.

Action Taken by the Government

2.2 Funds utilized during the FY 2011-12 were 97.5% of RE. The funds sought by States/ UTs were not released during 2011-12 in the plan Scheme Computerization of PDS Operations as it was decided to take up the requirements of fund by States/ UTs under the scheme on end-to-end Computerization of PDS under 12th Five Year Plan (2012-17). Non-finalization of schemes for implementation due to procedural issues under the Plan Scheme NSI Kanpur and non-carrying out of a technical study awarded to National Sugar Institute, Kanpur, due to technical reasons were other reasons for non-utilization of RE. The savings in the RE were due to unavoidable situations and in keeping with financial propriety and prudence and not because of lack of perspective planning on the part of the Department. However, the Department would ensure that RE is fully utilized in future.

As regards expenditure on non-plan schemes, it is clarified that against RE of Rs.84393.93 crore for Non Plan, the actual expenditure was Rs.84332.31 crore (99.92% of the RE). Expenditure of Rs.72211.32 crore was booked upto 28.3.2012 and balance of Rs. 12120.99 crore was released from 29.03.2012 to 31.03.2012. The heavy expenditure during fag end of March, 2012 was due to delay in finalization of 3rd Batch of Supplementary Demands for Grants for 2011-12 of Rs.10069.64 crores (including provision under Token Supplementary) which was received on 29.03.2012.

However, the observation/recommendations contained in Point No.2.6 of the SEVENTEENTH REPORT of the Standing Committee for Department of Food & Public Distribution regarding under spending in various Schemes has been noted and the Heads of the concerned Division have been asked to follow the recommendation and ensure that the allocations earmarked for different schemes are fully utilized by way of better planning and fixing realistic targets.

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Recommendation (Sl. No. 3, Para No. 3.14)

2.3 The Committee note that the subsidy released on foodgrains has risen by leaps and bounds during the last three years for which the reasons attributed by the Department are the increasing gap between Minimum Support Price(MSP) and Central Issue Price (CIP) of wheat and rice supplied to AAY, BPL and APL families under PDS and also due to supply of foodgrains for several schemes run by other ministries and States/UTs at BPL rates such as Mid-Day Meal scheme of the Ministry of Human Resource Development, Annapurna Schemes of States/UTs, etc. The Committee also note that there has been normal increase in freight/handling charges and interest cost due to higher quantity of foodgrains handled/procured. The Committee feel that the need for higher amount of subsidy is due to non-revision of issue price of foodgrains for the past about 10 years whereas MSP of wheat has substantially increased over the years. In view of the aforesaid scenario, the Committee strongly recommend that the Ministry of Finance/Planning Commission should be persuaded to allocate adequate food subsidy for efficient management of various operations of FCI. The concern of the Committee should be communicated to Planning Commission/Ministry of Finance. At the same time, the Committee also desire that encouraging decentralized procurement in the remaining States the Department should also make concrete efforts to finalize the poverty estimates of AAY and BPL population at the earliest by considering the existing level of income and expenditure structure for deciding the allocation of foodgrains under TPDS to reduce the undue burden on food subsidy bill.

Action Taken by the Government

2.4 The requirement of food subsidy has been increasing every year. Ministry of Finance is continuously being pursued for release of funds for food subsidy as per the yearly requirement. However, since food subsidy is released as non-plan funds and is not allocated under any Plan Scheme; Planning Commission is not directly concerned. Planning Commission and Ministry of Finance have been informed about the concern of the Hon'ble Standing Committee.

This Department has been requesting the non-DCP States for procuring sufficient foodgrains to meet their requirement and to switch over to DCP Scheme.

As regards the observations/recommendations relating to finalization of poverty estimates of AAY and BPL population at the earliest, it is submitted that:

Ministry of Rural Development issues guidelines for conducting of BPL Census in rural areas. Ministry of Rural Development has reported that the combined Socio-Economic and Caste Census – 2011 in rural and urban areas has been launched on 29.06.2011 in the State of Tripura and in a phased manner throughout the country. Some of the small States/UTs have completed SECC – 2011 and the data is yet to be analyzed by Ministry of Rural

Development. It has also been informed by the Ministry of Rural Development that SECC 2011 is likely to be extended beyond July, 2012. This Department is pursuing the matter with Ministry of Rural Development for early completion of SECC 2011.

The National Food Security Bill has been introduced in the Lok Sabha on 22.12.2011. The Bill has been referred to the Standing Committee on Food, Consumer Affairs and Public Distribution on 5th January, 2012 for examination. So far, two meetings of the Committee have been held on 22.02.2012 and 02.03.2012. Further action will be taken once the report of Standing Committee is submitted in the Parliament.

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Recommendation (Sl. No. 5, Para No. 3.17)

2.5 The Committee are unhappy to note that claims of huge amount are still pending with FCI for being paid to States/UTs on account of cost of transportation of foodgrains under Hill Transport Subsidy (HTS) scheme since 2006 for one or the other reason. The Committee, therefore, strongly recommend that Department/FCI should make sincere efforts for liquidation of the outstanding dues of the States/UTs. The Committee also desire that States should be given proper guidelines in clear and unambiguous terms regarding procedure to be followed by the States while submitting the claims of HTS. They should be given standing instructions in clear terms about the kind of format to be furnished and documents to be submitted for ensuring speedier settlement of HTS claims.

Action Taken by the Government

2.6 With a view to settle the problem of outstanding amounts of HTS for the States of Meghalaya, Mizoram, Tripura, Manipur and Nagaland, a Committee of Executive Directors of FCI was set up to examine the issue.

The Committee has given its recommendations that the settlement of HTS bills upto the year 2008-09 will be on the basis of a certificate from State Government regarding flow of funds from State treasury account to transporters' accounts in form of a statement which will be duly countersigned by Secretary (Food) of the State Govt. The State Govt. will give a statement for each Release order. The statement would be duly certified by the following officers of the concerned State Government and State Bank of India:-

1) Treasury Officer
2) Director of Food Department
3) Branch Manager, State Bank of India from where the payment was transferred to the Transport contractor account
4) Secretary (Food) of the State Government.

Accordingly, instructions have been issued to the Chief Secretaries of Mizoram, Tripura, Meghalaya, Manipur and Nagaland for settlement of HTS claims upto the year 2008-09. Settlement of pending claims is being taken up by FCI with respective State governments in accordance with these guidelines.

State-wise position of steps taken for settlement of outstanding HTS dues is as follows:

1. SIKKIM:

During the period from 2006-07 to 2011-12 (upto June, 2011) an amount of Rs.434.73 lakhs has been released to the State Government. An amount of Rs.103.39 lakhs is pending for the period from 2001-02 to 2011-12 for settlement. Out of this Rs.21.78 lakhs is pending for want of documents from the

State Govt., Rs.28.01 lakhs is pending in respect of movement through State Government trucks and instructions have already been issued to field office to release the payment after obtaining requisite certificates. Further, an amount of Rs.53.60 lakhs is pending as the State Government is claiming HTS upto Mill Point instead of declared PDCs which is not allowed under existing government instructions.

2. MIZORAM:

During the period from 2009-10 & 2011-12 (upto March, 2012), an amount of Rs.576.72 lakhs has been released to the State Government and the claims amounting to Rs.65.96 lakh are under process. An amount of Rs.3639.25 lakh is pending for settlement pertaining to the period prior to and upto 2008-09 for want of supporting documents establishing flow of funds from State Treasury to State Govt. account and from State Govt. account to the Transport Contractors' accounts.

3. TRIPURA:

In case of Tripura, an amount of Rs.328.33 lakh is pending for settlement pertaining to the period prior to and upto year 2008-09 for want of supporting documents establishing flow of funds from State Treasury to State Govt. account and from State Govt. account to the Transport Contractors' accounts.

4. JAMMU & KASHMIR:

During the period from 2006-07 to 2008-09, an amount of Rs.1408.22 lakhs has been released to the State Government. An amount of Rs.2155.16 lakhs is pending for settlement since 2008-09 onwards. The reason for non-settlement of pending claims is due to non-submission of prescribed documents. During the course of meetings held by FCI officers with the State Government Officers, the State Government is being repeatedly requested to give requisite certificates for settlement of pending bills.

5. HIMACHAL PRADESH:

During the period from 2006-07 to 2011-12 (upto March, 2012), an amount of Rs.959.58 lakhs has been released to the State Government. An amount of Rs.312.54 lakhs is pending for settlement pertaining to the years 2008-09, 2010-11 & 2011-12 for want of supporting documents from the State Government.

6. ARUNACHAL PRADESH:

In case of Arunachal Pradesh, provisional advance to the tune of Rs.45.76 crore have been released to the State Government against their total claim of Rs.86.56 crore for the years 2007-08 to 2009-10.

In case of pending bills of the State of Arunachal Pradesh for the period from 2004-05 to 2006-08, the department has given the approval and an amount of Rs.39.38 crore is to be adjusted against the outstanding dues on account of excess payments detected by the Internal Audit Teams of FCI and subsequent audit done by the CAG which works out to Rs.127.90 crore. Moreover, the matter is sub-judice. State Government of Arunachal Pradesh has filed an SLP before the Hon'ble Supreme Court of India i.e. WP(C) No. 32034-35/2011 after the

W.P.(C) No.242(GHY)/2010 and R,P.(C) No.41/2011 was dismissed by the Principal Bench of Hon'ble Guwahati High Court.

7. MEGHALAYA :

There are no pending dues of HTS in respect of Meghalaya.

8. MANIPUR :

There are no pending current dues in respect of Manipur. However, old dues for the period prior to 1999-2000 of Rs.153 lakhs is pending due to non-submission of requisite documents by the State Government.

9. NAGALAND :

There are no current dues on account of HTS pending in the State. However, an amount of Rs.390.58 lakhs on account of non-submission of requisite documents is pending for the period prior to and upto 2002-03.

10. LAKSHADWEEP :

There is no pending amount for settlement in respect of Lakshadweep.

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Recommendation (Sl. No. 6, Para No. 3.33)

2.7 The Committee note that the Government of India launched the Targetted Public Distribution System (TPDS) in June, 1997 with a view to making foolproof arrangements for identification of poor population for delivery of foodgrains through FPS at subsidized rates. The poorest of the poor persons are distributed the foodgrains at the lowest price i.e. Rs. 2 per kg of wheat and Rs. 3 per kg. of rice under the Antyodaya Anna Yojana (AAY) Scheme. The Government has adopted Nine Point Action plan in July 2006 to make TPDS more effective. The Committee regret to note that despite various measures taken by the Government to streamline and strengthen the TPDS, there is no satisfactory improvement in its functioning. There is error in inclusion and exclusion of targeted families in the list of BPL and AAY families. Besides, the diversion and leakage of foodgrains has become a more serious problem in the States. The Citizen's Charter issued by GOI in July 2007 to increase the transparency in the functioning of TPDS has not yet been adopted by all the States/UTs. Upto 31.01.2012, 22 States/UT Government have reported implementation of monthly certification scheme. In the opinion of the Committee, this could be attributed to weak monitoring over the scheme on the part of the Department and lack of coordination with the State Governments. Consequently, a large number of poor families are being deprived of the benefits of the subsidized foodgrains. The Committee, therefore, recommend that the Department should make concerted efforts to persuade all the State Governments/UTs to implement the Nine Point Action Plan, monthly certification scheme and Citizen's Charter and closely monitor the implementation of the scheme so that the AAY and BPL families get their due share of foodgrains. The Department should also impress upon all the States/UTs to follow the guidelines laid down in the revised Citizen's Charter to ensure food security to weaker sections of the society under TPDS.

Action Taken by the Government

2.8 The recommendations of the Committee have been noted by the Department. All States/UTs have been instructed to implement the provisions contained in Nine Point Action Plan and the Citizen’s Charter in letter and spirit. Further, the remaining States/UTs who have not reported implementation/adoption of the revised Citizen’s Charter and who have not introduced monthly certification by village panchayats/urban local bodies/vigilance committees/women’s Self Help Groups for delivery of food grains to fair price shops in time and their distribution to ration card holders have been advised again to take necessary measures for their implementation at the earliest.

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Comments of the Committee

(Please see Para No. 1.11 of Chapter-I of the Report)

Recommendation (Sl. No. 7, Para No. 3.42)

2.9 The Committee note with concern that as per the findings of the National Council for Applied Research (NCAER), the level of diversion of wheat in Assam and Mizoram is 100 per cent for APL whereas in case of rice, it is 83.38 per cent and 81.12 per cent for APL families in the two States respectively. This shows that foodgrains meant for APL families have not reached to them at all in these two States. The level of diversion of wheat for APL in respect of Chhattisgarh and Jharkhand is 78.34 per cent and 54.53 per cent, respectively. In order to curb diversion and leakages of foodgrains meant for TPDS, Government is taking up piloting of innovative/new technologies such as GPS, RFIDs, barcoded coupons, stamping of PDS foodgrains, etc. The Committee hope that GPS devices would be installed in the vehicles carrying TPDS foodgrains/goods in all the States/UTs of the country on top priority basis to curb the menace of diversion and leakages of foodgrains, meant for poorest of the poor, to be allocated through PDS.

Action Taken by the Government

2.10 In this connection, it is mentioned that under a Plan Scheme on strengthening of TPDS, the Government has taken up a innovative scheme i.e. installation of Global Positioning System (GPS) sets on the vehicles carrying TPDS commodities in order to curb leakages and diversion of foodgrains. Under this Scheme, financial assistance of Rs.44.76 lakh was given in 2007-08 to the State Governments of Tamil Nadu, Chhattisgarh and Delhi for installation of GPS devices on the vehicles carrying TPDS foodgrains. Governments of Tamil Nadu and Chhattisgarh have reported the implementation of the said scheme.

Government of Tamil Nadu who have implemented the system in two districts have reported that (i) the quantities of foodgrains allotted from FCI to the indented godowns reached without single case of diversion (ii) it has created moral fear among those involved in transportation of PDS items and it has (iii) enabled the civil supplies department and other vigilance agencies to track the movement of vehicles carrying PDS items at short notice and avoided delays in transportation.

Government of Chhattisgarh have reported that after installation of GPS sets on vehicles carrying TPDS commodities, from the distribution centres, such vehicles are reaching their destination/intended places and no irregularities of any kind have been noticed.

On a further request from Government of Chhattisgarh, a further sum of Rs.1,11,00,900/- has been sanctioned and released to State Government of Chhattisgarh in 2011-12 for purchase/installation of GPS sets on vehicles carrying TPDS commodities.

Subsequently, it was decided to extend this scheme in all the States/Union Territories (UTs) in the financial year 2011-12 and proposals were invited from States/UTs for sanctioning funds under the scheme. State/UT Governments

have again been requested in May, 2012 to send proposals for sanctioning of funds under the scheme during 2012-13 for installation of GPS sets on vehicles carrying TPDS commodities.

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Comments of the Committee

(Please see Para No. 1.14 of Chapter-I of the Report)

Recommendation (Sl.No.8, Para No.3.52)

2.11 The Committee note that the Hon'ble Supreme Court, in its orders regarding Computerization of TPDS, has directed that end-to-end Computerization of TPDS be undertaken with the help of a Common Application Software (CAS) and leveraging Aadhaar in consultation with the specialized agencies like the Unique Identification Authority of India or any other agencies. Hon'ble Supreme Court has also directed that Computerization of PDS be taken up in a phased manner comprising of Component-I relating to computerization of complete supply-chain management, digitization of Ration Card database and availability of this information in public domain through a transparency portal as per Chhattisgarh model and Component-II relating to authentication of delivery and payments at the FPS, including use of Aadhaar in due course, as per Gujarat model, or any other advanced model. The Committee also note that the pilot scheme on Computerization of TPDS operations is proposed to be expanded in the 12th Five Year Plan (2012-17) which will be taken up as a Scheme on end-to-end Computerization of PDS on cost-sharing basis with States/UTs. Detailed guidelines have been issued by the Department on 21.10.2011 to States/UTs for computerization of PDS. The Committee have been informed that as the scheme is to be implemented by the State/UTs, the success of computerization of PDS depend upon their framing of detailed action plan, initiatives taken and time bound implementation as per specified milestones. Detailed directions alongwith timelines covering various aspects like Digitization of Beneficiary Data Base, Computerization of Supply-Chain Management and FPS Automation for achievement of various milestones towards Computerization of PDS were issued by Secretary (F&PD) to Chief Secretaries of all States / Administrators of all Union Territories on 07.03.2012. The Committee desire that the work of end-to-end computerization of PDS operation be accorded priority especially in States like Delhi, U.P. where the number of complaints received from individuals/organizations on TPDS are reportedly higher, so that right quantity of foodgrains/other commodities are issued to the intended beneficiaries only. The Committee further hope that the Department of Food and Public Distribution will pursue the matter with Chief Secretaries/Administrator of all States/UTs for an expeditious implementation of the project all over the country which will in-turn improve the efficiency of the PDS.

Action Taken by the Government

2.12 End-to-end Computerization of TPDS has been taken up on priority in all States/UTs including States of Delhi and Uttar Pradesh.

Government of NCT of Delhi has reported that computerization of the entire TPDS chain based on software developed by NIC, i.e. Common Application Software (CAS), called ePDS Portal. The software will link all the stakeholders associated with PDS system. Under the Ration Card Management module which has been implemented, Delhi Govt. has informed that all type of activities relating to preparation/ modification etc. are being done through system only. Further, foodgrain allocation as well as Sugar and Kerosene oil allocation is being done through the system. Similarly, Release Order module has also been

implemented and Release Orders are being prepared through System. SMS Module in respect of Sugar has been implemented and SMS are being sent to whosoever is registered for the purpose. The SMS Module in respect of Wheat and Rice for all FCI godowns will be implemented by the end of June, 2012. FPS Automation module will be implemented for all FPS by March, 2013.To make use of above software, all Circles have been equipped with adequate hardware and to make use of internet, the existing capacity of broadband connection was enhanced from 128 kpbs to 2 mbps. With the introduction of the ePDS System, Government of NCT of Delhi has reported elimination of 57,680 ration cards from the TPDS system.

Government of Uttar Pradesh has informed that 99.68% database of AAY & BPL category and 87% database of APL category has been digitized and the same is uploaded on the Department's website for transparency. The details of 73027 FPSs and the beneficiaries linked to these FPSs have also been uploaded on this website. A call centre with an 11 digit toll free number is already in place since 2009 for grievance registration and redressal. A system of sending SMS alerts to the beneficiaries has also been launched.

The progress of Computerization of TPDS in all States/UTs is being monitored by the Department so that the same is completed by States/UTs in a time-bound manner.

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Recommendation (Sl.No.13, Para No.4.23)

2.13 The Committee note with concern that though the physical target in respect of construction of godowns in regions other the North East (NE) has been achieved by FCI during 2011-12, it has failed to achieve the target in so far as North-East Region is concerned. The target set by the corporation for construction of godown in NE was 15000 tons but its achievement was nil. Similarly, the corporation failed to achieve the financial target during the same period for NE States as well as States other than NE. Reason cited for non-achievement of physical target in NE States as slow pace of work by one of the State Government agency, does not seem to be convincing. The Committee observe that the North-Eastern States are the most disadvantaged States in terms of lack of infrastructure, communication and rail/road network. Inadequacy of storage space in NE States poses a serious threat to running of an efficient Public Distribution System. The Committee, therefore, strongly recommend that the Ministry should make all out efforts for speeding up the construction of godowns in NE region so that the people of North East are not deprived of the benefits of PDS and the funds earmarked for the purpose do not remain unutilized.

So far as achievement of financial target in NE States/other than NE States is concerned, the Committee desire that pending disputes for 3 acre of land for Changasari Project be resolved at the earliest. The Committee, therefore, strongly recommend the Ministry to take up the matter with State Governments that have not yet identified the land and urge them to hand over the land to FCI at the earliest so that construction of godowns can be started without further delay.

Action Taken by the Government

2.14 The updated status at the end of FY 2011-12 is as under:

A. NE Region

Physical:

It is submitted that against the target of 15000MT capacity godowns, a capacity of 4590MT (3340MT – Senapati/Manipur and 1250MT – Jiribam/Manipur) has been achieved. The shortfall is mainly due to following reasons:-

(i) At Kohima/Nagaland the targeted capacity of 5000MT could not be achieved mainly because of failure on the part of Executing Agency i.e. PWD Housing Nagaland. After great persuasion at all levels and personnel meetings with the Chief Engineer, PWD, Nagaland the agency has now assured that the work will be completed by September 2012.

(ii) 2500MT capacity at Tura/Meghalaya could not be achieved as the site was in sunken zone area and the expert opinion of Geological Survey of India, Meghalaya received only in March 2011 and thereafter the

Executing Agency was fixed and it was proposed to entrust the work to CPWD. The estimate has been approved and tendering action is being taken by the CPWD.

Financial:

The main reasons for non achievement of financial targets in NE Region are as under:

(i) Provision of Rs.25 crores was kept for the project at Changsari/Assam but the failure was due to on the part of ASWC (State Govt. agency) for non achieving the physical targets as per plan submitted by ASWC. The agency even could not start the work at site in spite of great persuasion by FCI at various levels through many correspondences.

(ii) In the State of Arunachal Pradesh, the work at 7 centres entrusted to CPWD and Hindustan Prefab Ltd and the initial deposit to the tune of Rs. 4.28 crores were made in favour of the agencies out of the total budgeted cost of Rs.19.45 crores. The projects at all 7 centres are likely to be completed during 2012-13.

(iii) Against the projected target of Rs.4.80 crores for the project at Kohima, the achievement was only to the tune of Rs.0.79 crores for the reasons as given in para A (i) above.

It is pertinent to mention that till Dec. 2011, the agency could not finalise the layout of the godown. During the inspection by Headquarters in Jan 2012, the layout was finalised and work of godown structure physically started at site.

(iv) Against the projected target of Rs.2 crores for the project at Tura/Meghalaya, no expenditure incurred for the reasons given at para A (iii) above.

(v) Against the projected target of Rs. 4.50 crores kept for cost of land at different centres in Tripura, no expenditure incurred as the land could not be identified by the State Government.

(vi) Against the target of Rs. 10.43 crores for Manipur State, the expenditure was to the tune of Rs.4.37 crores at Senapati and Jiribam. The remaining amount which was kept for land cost could not be utilised as the land at other centres was not made available by the State Government.

B. Other than NE:

Physical:

Against the targeted capacity of 5825MT, the achievement made during FY 2011-12 is 6665MT capacity which includes 2500MT spillover capacity at Lakshadweep/UT and 3340MT at Gujjar Ka Talab/HP against the approved capacity of 5000MT. The balance of 1660MT capacity has also been achieved on 31.5.2012.

Financial:

Against the target of Rs.7.30 crores the achievement was made to the tune of Rs. 3.87 crores and the shortfall was in Bihar Region to the tune of Rs.2 crores as the land earlier proposed to be acquired at Mohania for which the cost was also deposited during 2010 was finally decided not to pursue for acquiring of land due to failure on part of State Government for non handing over of land in time. Further Rs. 1.50 crores was kept for the project at Baripada/Orissa which could not be utilized because the soil testing work was to be carried out before start of work. However the tender for this work has been invited for award of work.

It is assured that all out efforts shall be made to achieve the spillover capacity of 2011-12 and targeted capacity for 2012-13 as well as financial targets provided, the land at respective centres is handed over by the respective State Governments and the executing agency finalised by the State Government in time.

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Recommendation (Sl.No.14, Para No.4.42)

2.15 The Committee are concerned to note that despite remedial steps taken by FCI, storage and transit losses are continuously on the rise. Storage losses have increased from Rs. 292.91 crore in 2010-11 to Rs. 301.17 crore in 2011-12. Similarly, transit losses have increased from Rs. 257.42 crore in 2010-11 to Rs. 275.88 crore in 2011-12. The Committee feel that all this goes to prove that the steps taken by the FCI to prevent storage losses are not adequate. The Committee, therefore, desire that FCI should adopt latest scientific and modern technology for storage of foodgrains to minimize storage losses. Regular inspections/surprise checks and constant monitoring are needed so that losses do not increase further. The Committee also recommend that norms for storage losses need to be revised which are still on the higher side and there is need to further reduce the same.

Action Taken by the Government

2.16 The above observations/recommendations of the Standing Committee have been noted and are being circulated to Zonal and Regional Heads for initiating remedial actions so that incidence of storage and transit losses is reduced/curbed.

The details of losses mentioned in the above observations are as under:

Storage Losses (Wheat + Rice)

(Qty.in lakh MT/Value in Crores of Rupees)

Year	Qty. received	Qty. of Loss	Value of Loss	%age of Loss
2010-11*	530.77	1.56	292.91	0.29
2011-12* (Upto Feb. 2012)	542.66	1.48	301.17	0.27

(* - Provisional)

Transit Losses (Wheat + Rice)

(Qty.in lakh MT/Value in Crores of Rupees)

Year	Qty Moved	Qty. of Loss	Value of Loss	%age of Loss
2010-11*	317.39	1.60	257.42	0.50
2011-12* (Upto Feb. 2012)	298.69	1.60	275.88	0.54

(* - Provisional)

Consequent upon completion of audit for the year 2010-11 and addition of figures for March, 2012, the details of storage and transit losses for the above two years have now undergone a change, as below:

Storage Losses (Wheat + Rice)

(Qty.in lakh MT/Value in Crores of Rupees)

Year	Qty. issued	Qty. of Loss	Value of Loss	%age of Loss
2010-11 (Audited)	817.20	1.75	323.78	0.21
2011-12 (Provisional)	595.58	1.57	321.55	0.26

Transit Losses (Wheat + Rice)

(Qty.in lakh MT/Value in Crores of Rupees)

Year	Qty Moved	Qty. of Loss	Value of Loss	%age of Loss
2010-11(Audited)	375.98	1.77	281.94	0.47
2011-12 (Provisional)	329.03	1.79	307.66	0.55

With a view to minimize storage & transit loss of foodgrains and to introduce modern technology besides bringing additional resources through private sector participation, Government of India had announced a National Policy on Handling, Storage & Transportation of foodgrains in June, 2000 for bulk and conventional godowns.

Under the National Storage Policy, integrated bulk handling, storage and transportation facilities for foodgrains especially for wheat, were proposed to be constructed on "Build Own & Operate" through private participation at the identified locations in procuring and consuming areas as well as at port town. A total capacity of 5.5 lakh MT was approved in the first phase as Pilot Project to be created at the identified Base Depots and Field Depots through private sector participation on Build Own & Operate (BOO) basis. The transportation of foodgrains from Base Depots (Procurement areas) to the Field Depots (consuming areas) is to be made in specially designed top loading and bottom discharge bulk rail wagons, procured by the DCO. The linkages of Base Depots and Field Depots for Circuit I & II and size of storage capacity is given below:-

Circuit-I		**Circuit-II**	
Location	**Storage size**	**Location**	**Storage size**
Base Depot Moga (Pb)	2,00,000 MTs	Base Depot Kaithal	2,00,000 MTs
Field Depot		**Field Depot**	
Chennai (TN)	25,000 MTs	Navi Mumbai	50,000 MTs
Coimbatore	25,000 MTs	Hooghly (WB)	25,000 MTs
Bangalore (KNK)	25,000 MTs		

The Government has also approved proposal for construction of 20 lakh tonnes of storage capacity in silos under the PPP model. This will be within the overall storage requirement of FCI.

Regular/surprise inspections of offices/ depots are carried out by different level authorities.

The details of regular/surprise checks undertaken by HQ/Zonal/Regional/District levels during the last three years are as under:

Year	Regular Inspection	Surprise Checks	Total
2009	11163	3705	14868
2010	13390	3135	16525
2011	13359	7979	21338

However, whenever abnormal losses having vigilance angle are being reported, disciplinary action is taken against the delinquents.

The following action is taken by FCI to minimize losses:-

i) Each Zone should prepare an operational report every year, which should also have the information regarding the quantum of losses and reasons thereof, remedial and punitive action taken to reduce the losses in respect of each region.

ii) Loss Monitoring Cell should be created at Regional and Zonal levels, which would review all the cases of abnormal shortages for taking remedial measures.

iii) A list of the centres/depots identified as 'high loss reporting depots' should be made in respect of each Region by ED(Zone) for constant monitoring of these centres.

iv) Immediate shifting of the staff and initiation of disciplinary action against them, working in the identified depots.

v) Quality of gunnies and packaging should also be taken care of properly.

vi) Electronic carry-able weighing machines in place of beam scales for the purpose of test check of weight, be made available at all the depots.

vii) Matter of pilferages at transhipment points (broad gauge to meter gauge) in E Zone and installation of CCTV cameras at those points, to be taken up with the Railways.

STEPS TAKEN BY FCI TO PRESERVE THE QUALITY OF PROCURED FOODGRAINS DURING STORAGE

Before the commencement of Rabi and Kharif Marketing Seasons, Department of Food & Public Distribution issues uniform specifications for procurement of foodgrains for the Central Pool. These uniform specifications are circulated to F.C.I. and all State Govts./Agencies with instructions to ensure that foodgrains are procured strictly in accordance with the uniform specifications.

Foodgrains procured by F.C.I. and State Govts/Agencies are stored in covered godowns as well as in CAP (cover and plinth).

During storage, the following steps are taken for safe storage and preservations of foodgrains:-

Covered godowns:-

- Godowns are constructed on scientific lines making it rodent proof by having proper height and damp proof by providing pucca floor.
- Before the stocks are stored, the godown is properly cleaned and cobwebs etc., if any, are removed.
- Floor and walls are treated with chemicals such as air charging with Malathion and DDVP (insecticide) to make them pest free.
- Markings are provided for stacks and the dunnage material is used on which foodgrains bags are arranged as per the stack plan.
- Prophylactic (spraying of insecticides) and curative measures (fumigation) are carried out regularly for the control of insects/pests.
- Effective rodent control measures are also undertaken.

Following checks /super checks are conducted in the godowns to ensure proper preservation of foodgrains in storage.

(i) Fortnightly inspection of stocks on 100% basis by Technical Assistants for declaring categorization and classification.

(ii) Monthly inspection by Manager (QC) – 33% of stocks (1/3rd of stocks) in a month. Monthly Inspection Reports (MIR) of Manager (QC) are scrutinized at Zonal level. Suggestions made therein are to be implemented and monitored through action taken reports (ATR)

Quarterly inspection by AGM (QC)

The following inspection schedule is prescribed for AGM (Quality Control):-

- 1/3rd of depots in a month so as to cover all the depots in the District in three months.

- 5% of stocks are to be checked in a depot having capacity of more than 25000 MTs.
- 10% of stocks in respect of depot having less than 25000 MTs
- Squad Inspection Reports (SIR) of AGM(QC) are scrutinized in Hqrs.,

CAP (COVER AND PLINTH)

In case of shortage of covered storage space, foodgrains may have to be stored in open in CAP. Every care is taken for maintenance of quality of grains, while kept in CAP. Rats, birds and moisture are the main enemies of grain in CAP storage. In view of the risk involved, this type of storage is attempted as a last resort.

As regards reducing norms for storage losses, it is submitted that in FCI such norms have been fixed and each case of loss is investigated taking into account various factors responsible for the loss including dereliction of duty by officials.

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Recommendation (Sl.No.16, Para No.4.44)

2.17 The Committee have been informed during evidence that the railways supply general purpose wagons for loading of foodgrains, which are also used for loading cement, fertilizers and other general goods. They do not earmark specific rakes for loading of foodgrains. The Committee feel that there is imperative need to supply wagons which are free from remains of dust, coal, cement and fertilizers before they are loaded with foodgrains/sugar. The Committee, therefore, feel that there is laxity on the part of Department of Food and Public Distribution, FCI and railways authorities in accepting and supplying wagons which are not fit to transport foodgrains and may cause serious health hazards to consumers. The Committee, therefore, strongly recommend that under no circumstances wagons which are used for transporting cement, fertilizers, coal etc. be used for transportation of foodgrains. The Committee recommend that Government should take up the matter with the Ministry of Railways for providing special wagons instead of general purpose ones for the transportation of foodgrains so that the quality of foodgrains remain intact till it reaches its final destination.

Action Taken by the Government

2.18 The Railways are supposed to supply clean and tidy wagons for loading of foodgrains. In case any un-cleaned wagons are provided by the Railways, the Railway authorities are requested to get the same cleaned before loading the foodgrain stocks. If the wagons are not cleaned by the Railways on the request of FCI, the same are got cleaned by FCI before loading the stocks to avoid any contamination of the foodgrains.

The matter has been taken up with Ministry of Railways to provide special wagons for transporting foodgrains.

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Comments of the Committee

(Please see Para No. 1.20 of Chapter-I of the Report)

Recommendation (Sl.No.17, Para No.4.48)

2.19 The Committee note that the number of vigilance cases including corruption cases detected on various counts in FCI, disposed off and closing balance during the year 2009, 2010 and 2011 was 910, 613 and 479, respectively. During 2011, cases registered by CBI and Vigilance/ACB of State was 2 and 1, respectively. Though the total number of corruption cases have declined but still it is very high. The Committee also note that CBI has raided the residences and offices of the senior officers of FCI. The Committee desire to be apprised of the outcome of the investigation done by CBI. The Committee also desire that vigilance mechanism should be tightened up and made more transparent and accountable. Further, the Committee also desire early disposal of pending cases as delay in disposal of cases would further aggravate corrupt practices.

Action Taken by the Government

2.20 During last three years, there has been one case of raid conducted by the CBI at the residence of a senior officer (Category-I) of FCI, Sh. R. Dorai Raj, the then DGM (Region), Tamil Nadu. The case registered by the CBI for disproportionate assets under RC MA 61 (A)/2009 dated 30.11.2009 is still pending in CBI court.

During last three years, at two instances CBI had raided the offices of Senior Officers (Category-I). The details are as under:

(i) CBI raided the Regional office, Chennai and a case was registered under RC MA 1 2009 A 0051 against four officers namely Sh. T. Jayakumar, Sh. R. Dorairaj, Sh. A. Vellimalayan and Smt. S. Soundaram.

Two charge sheets have been filed by CBI in the Hon'ble Court of Special Judge for CBI, Chennai. In charge sheet No. 1/RP/10 – C.C. No. 9/11 involving Sh. T. Jayakumar and others, the officers have been acquitted by CBI Court on 29.07.2011.

In charge sheet No 2/RP/10 – C.C. No. 27 /11, involving Shri R. Dorairaj and others, the case is still under trial at CBI Court.

(ii) CBI raided the office of Area Manager, Jalandhar and a case was registered under RC CHG. 2009 A 008 against Sh. Sameer Verma, Area Manager (Jalandhar).The case is still pending at CBI Court.

In FCI, efforts have been made to tighten up the vigilance mechanism and make it more accountable and transparent, for which various preventive & punitive measures have been taken. To make further improvement additional emphasis is being laid on following:

(i) Rotation of officials, particularly on sensitive seats. Complete rotation after 3 years has been implemented in Vigilance division.

(ii) Prohibition of negotiations in all tenders & modifications in Model Tender Forms simplifying the pre-qualification conditions to increase competition. All tenders and their results are published in web-site of FCI.

(iii) Emphasis laid on implementation of E-procurement.

(iv) Use of E-payment comprehensively.

(v) Functioning of Internal Audit reviewed and modified to increase its effectiveness. To enlarge the scope & coverage of Audit, firms of Chartered Accountants engaged on pilot basis in one Region in each Zone.

For speedy disposal of pending cases, special focus given to cases pending for more than one year. Due to various measures taken, the number of cases pending has been steadily going down as can be seen from the year end data given below:

Year	Pending cases
2005	2145
2006	2004
2007	1382
2008	835
2009	910
2010	613
2011	479

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Recommendation (Sl.No.19, Para No.5.9)

2.21 The Committee are deeply concerned to note the continuous rise in outstanding dues of Central Warehousing Corporation (CWC) during 2010-11 and 2011-12 i.e. Rs. 225.87crore and Rs. 215.18 crore, respectively. The Committee, therefore, recommend for liquidation of outstanding dues fully at the earliest.

The Committee are also unhappy to note the unusual increase in bad debts written off to the tune of Rs. 9.52 crore and Rs. 5 crore during the last two years i.e. 2010-11 and 2011-12. The Committee would like to be apprised about the reasons for such a huge amount of bad debts which have been written off and would like the Ministry to keep a close vigil on this trend and take judicious decisions in writing off the bad debts.

Action Taken by the Government

2.22 The position of the total outstanding dues as well as outstanding dues against the Food Corporation of India (FCI) during the last three years is given below:-

(Figures in Crore Rs.)

As on	Total Income	Total outstanding dues	Outstanding dues against FCI	Bad Debts Written off
31.3.2009	849.25	151.60	73.25	0.41
31.3.2010	987.95	185.48	98.81	0.03
31.3.2011	1029.55	225.87	126.20	9.52
31.3.2012 (Provisional)	1210.28	215.18	118.78	5.00

As per the unaudited financial results, the turnover of the Corporation for the year 2011-12 is Rs.1210.28 crore which is an increase of 16.5% over the previous year. Inspite of increase in turnover, the outstanding dues have come down to Rs.215.18 crore in 2011-12 as compared to Rs.225.87 crore of previous year. Outstanding to turnover ratio for the year 2011-12 has come down to 17.8% as compared to 21.9% for the year 2010-11.

The outstanding dues against FCI as on 31st March, 2012 works out to 55.2% of the total dues. Various steps have been taken by CWC particularly with FCI to realize the outstanding dues including holding of meetings at various level of FCI offices. FCI Headquarters has also issued instructions to their field offices for settlement of CWC dues. Besides, credit facilities to the private parties is being regularly reviewed and meetings with depositors are being held to realize the outstanding dues.

As regards the writing up off bad debts amounting to Rs.9.52 crore during 2010-11, it is informed that the Corporation had given an interest bearing loan of Rs. 5.00 crore to Fertilizer Corporation of India Ltd. (FCIL), a CPSE under the Department of Fertilizer, in the year 1990. The FCIL had been defaulting in

payment of principal and interest thereon. The total amount due against FCIL including interest was Rs. 10.96 crore. The Corporation had been pursuing with FCIL and also with Ministry of Chemicals & Fertilizers, Government of India through the administrative Ministry from time to time. However, inspite of all efforts, the amount could not be realised from FCIL. Under the financial rehabilitation scheme of FCIL, Ministry of Chemicals & Fertilizers, had proposed payment of 30% of the principal amount of loan (Rs.5.00 crore) as one time settlement. In view of the fact that the FCIL has been referred to BIFR, the offer made by the Ministry of Chemicals & Fertilizers as above and also that other CPSEs like IOC, BHEL etc. have accepted 30% amount due to them, the Board of Directors of CWC, in its meeting held on 9th May 2011 also approved acceptance of 30% of dues and to write off balance 70% of the principal together with the interest accrued thereon as a one time settlement. Accordingly during the year 2010-11 out of the total amount of Rs. 9.52 crore written off, an amount of Rs. 9.47 crore was written off against the provisions in respect of FCIL.

As regards Rs.5.00 crore during 2011-12, it is only provisional but the exact amount and details would be available after the finalization of accounts for the year 2011-12.

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Recommendation (Sl. No. 21, Para No. 5.17)

2.24 The Committee note that as against 19 sanctioned posts, 9 are in position in the Warehousing Development and Regulatory Authority, which was set up in October, 2010 for drafting of Warehousing Regulations, Appointment of Accreditation Agencies, Notification of Agricultural Commodities for Negotiable Warehouse Receipt, etc. As informed by the Department, efforts are being made to fill up the vacant posts at the earliest to ensure smooth functioning of the office of WDRA. The recruitment rules are being framed so that the sanctioned posts could be filled up as per rules. Hiring of services of staff by WDRA on cost recovery basis and proposal for creation of additional 22 posts in the interest of smooth functioning of WDRA is also being considered. Taking into consideration, the wide magnitude and importance of work to be performed by the authority, the Committee desire that filling up of remaining vacant posts be expedited.

Action Taken by the Government

2.25 The Warehousing Development and Regulatory Authority (WDRA) was set up on 26th October, 2010. At that time, one Joint Secretary and one Director (both from Central staffing) were in position. The authority has been making efforts to fill up the remaining vacancies. Four vacancy circulars were issued on 13.03.2009 (by the Department of Food and Public Distribution), 28.01.2011, 11.07.2011 and 19.03.2012 (by WDRA) informing all Ministries/Departments of Govt. of India. The NIC had placed these circulars on the website of the Department of Food and Public Distribution/WDRA, and these were published in the Employment News. One post each of Director(Technical), Under Secretary (Admin. & Fin.) and Section Officer (Admn. & Fin.) and Private Secretary were filled up against the first circular while one post each of Section Officer(Technical), Under Secretary (Technical) and Principal Private Secretary were also filled up against the second circular. One post each of Assistant and Staff Car Driver have been filled up on deputation basis against the third circular. However, the post of US(Admn. & Fin.) has fallen vacant on his reversion to parent cadre.

In response to vacancy circular dated 19.03.2012, applications have been received for the posts of Under Secretary (Admn. & Fin.), Private Secretary, Section Officer(Technical) and Section Officer(Admn. & Fin.) and Accountant. The applications are being scrutinized and it is likely that the above mentioned posts may be filled up, subject to the suitability of candidates and their selection by the Selection Committee. Efforts are being made to fill up the vacant posts at the earliest to ensure smooth functioning of the office of WDRA.

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Recommendation (Sl.No.23, Para No.6.10)

2.26 The Committee observe that the mismatch between domestic production and demand for sugar is primarily responsible for rise in price of sugar. The Committee note that due to various steps taken by the Department such as regulated release mechanism of sugar, high sugar production in the sugar season 2010-11 and estimated high production in sugar season 2011-12, maintenance of sufficient stocks of sugar to meet domestic requirement, price of sugar has remained more or less stable during the last and current sugar season. The Committee feel that price of sugar is still on the high side. The Committee desire that with the help of scientifically gathered agricultural intelligence, the long-term production trend can be assessed. Necessary steps, therefore, need to be taken to deal with the situation. The Committee, therefore, recommend that the Department should take necessary steps to bring down the price of sugar and achieve the long-term stabilization of sugar production and prices.

Action Taken by the Government

2.27 The price of sugar depends upon a number of factors like cost of raw material mainly sugarcane, conversion cost, domestic demand and supply situation, market sentiments, trend of international prices and production, etc. While the Government has no control over external factors affecting sugar price like market sentiments, international prices etc., the inherent factors leading to high cost of sugar production viz the sugarcane cost and the factory conversion costs need sustained and long term solutions by improving efficiencies at the farm and factory level.

In general, about 60-70% of the production cost of per unit of sugar is of sugarcane. The production of sugarcane, during any year, depends inter-alia, upon the area under sugarcane plantation, rainfall, vagaries of nature, inter crop parity and the capacity of the industry to pay agreed sugarcane prices in time. Equally important is productivity of sugarcane. Higher productivity increases income of farmers and industry gets raw material at lower cost.

In order to stabilize sugarcane production and improve farm and factory level efficiencies, the Central Government has already taken the following long term policy measures/interventions:-

(i) The sustainable development of Sugarcane Based Cropping System (SUBACS) is one of the component of Centrally Sponsored Scheme (CSS), namely Revised Macro Management of Agriculture Scheme (RMMA). The main thrust of SUBACS is on the transfer of improved production technology to the farmers through field demonstrations, training of farmers, supply of farm implements, enhancing production of planting materials, efficient use of water, treatment of planting materials etc.

(ii) The concept of “Fair and Remunerative Price” (FRP) for sugarcane has been introduced w.e.f. December, 2009 in 2009-10 sugar season instead of the Statutory Minimum Price (SMP), previously fixed by the Government. Under

FRP system, the farmers get an “upfront” payment of margins on account of profit and risk, which was not available under SMP. After introduction of FRP as well as due to considerable uptrend in the State Advised Prices of sugarcane in recent years, the sugarcane area and production has been on the upswing during the last few sugar seasons and the estimates are quite promising for the coming season also, as reflected by the sugarcane and sugar production figures given below: -

Sugar Season	Area under sugarcane (in lakh hectare)	Sugarcane Production (in lakh tonnes)	Sugar Production (in lakh tonnes)
2009-10	41.75	2923.02	188.00
2010-11	48.85	3423.82	243.50**
2011-12	50.99*	3576.67*	257.65***

*4th Advance Estimates of Directorate of Economics & Statistics, Department of Agriculture and Cooperation.

** (Provisional)

***(As on 30.06.12, reported by Cane Commissioners)

(iii) The Sugarcane (Control) Order, 1966 has been amended vide notification dated 28.12.2007 permitting sugar mills to produce ethanol directly from sugarcane juice. This facilitates sugar mills to use surplus sugarcane for production of ethanol in the years of its high production.

(iv) The Central Government provides concessional loans at an interest rate of 4% per annum to sugar factories from Sugar Development Fund (SDF) for modernization of plant and machinery, expansion of crushing capacity, utilization of by-products viz., bagasse for co-generation of power and molasses for production of ethanol, upgradation of technology and sugarcane development including better irrigation facilities, improved seed variety, ratoon management etc.

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Recommendation (Sl. No. 25, Para No. 6.20)

2.28 The Committee note that out of 187 sick sugar mills, majority are located in Maharashtra and U.P. i.e. 71 and 41 in number, respectively. The main reason cited for sickness of the sugar mills are non-availability of adequate raw material, poor recovery from sugarcane, uneconomic size, lack of modernization, up-gradation and diversification, high cost of working capital, declaration of high State Advised Price (SAP) of sugarcane by some States, control of molasses, lack of professional management, overstaffing, etc. The Committee are concerned to note that despite the provision of financial assistance from Sugar Development Fund (SDF) for rehabilitation/modernization, sick sugar mills are not availing the benefits of the scheme. The Committee desire that Government should view the revival of sugar mills seriously and encourage them to join the mainstream in production of sugar thereby combating the problem of shortage of sugar in the country. Further, the Committee also recommend that procedure for availing assistance from SDF be simplified further so that maximum benefit can be availed by sick sugar mills for their revival.

Action Taken by the Government

2.29 Rule 21 of the Sugar Development Fund Rules, 1983 inserted vide notification dated 20.08.2002 provides for loans for potentially viable Sick Sugar Undertakings and Rule 26 inserted vide notification dated 05.12.2007 provides for restructuring of loans of potentially viable Sick Sugar Undertakings. Any sugar undertaking seeking the assistance under the above mentioned rules has to get the recommendations of Board of Industrial and Financial Reconstruction (BIFR)/ Committee on Rehabilitation (COR) as the case may be.

The Central Government has constituted a Committee under the Chairmanship of Joint Secretary (Sugar) to consider proposals for rehabilitation of sick cooperative sugar mills. However, the concerned cooperative sugar mills have to prepare the rehabilitation plan and route it through the State Government concerned. In case of private and public sector sugar mills, the proposal for sanction of loan from the Sugar Development Fund should be recommended by the BIFR.

As per the provisions of SDF Rules, a sick undertaking is required to get a revival package approved by the BIFR in the case of private and public sector sugar factories and by the COR in the case of Co-operative sugar mills, with a component of SDF loan in the package. Loan is available from SDF both for rehabilitation/modernization and cane development. The eligibility criteria for such loan to a potentially viable sick unit is quite favourable to the sugar factories in so far as loan up to 60% of the project cost (as against 40% in normal cases) can be given from SDF for rehabilitation/modernization projects and the moratorium period for repayment can be decided by the Central Government on case to case basis (against a fixed moratorium period of 8 years in normal cases). Similarly for cane development loan, the 10% contribution required to be met by the sugar factory can be met by the concerned State Government also. The condition of approved revival package by BIFR/COR cannot be dispensed with in view of fundamentals of financial propriety in the use of public funds. It may be

appreciated, however, that loans cannot be given in cases where the likelihood of recovery is low, leading to loss of public funds.

Amendment to the SDF Rules is considered from time to time to meet the emerging requirement in the industry. The procedure for availing the assistance from SDF under these rules has already been circulated to the State Governments, the Apex organisation of the sugar industry and also on the website of the Department.

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Recommendation (Sl. No. 26, Para No. 7.7)

2.30 The Committee are concerned to note that production of oilseeds in the country has been declining for the past few years and at the same time, consumption of oil is showing an upward trend, the reasons for which have been attributed to increase in population and increase in living standards. Estimated production of oilseeds during 2011-12 is 305.29 lakh tons which is 19.61 lakh tons less than the previous year oilseed production i.e. 324.8 lakh tons. The deficit in domestic production over domestic demand is met by imports. The Committee are of the view that though the country has achieved self-sufficiency in the production of foodgrains, adequate attention has not been paid for raising the production of traditional oilseeds indigenously. While taking note of status of indigenous production and imports alongwith overall demand and supply position of oilseeds and edible oil, the Committee feel that there is an urgent need to pay more attention to R&D for improved varieties of seeds and improved technologies for production of oilseeds. The Department should make sincere efforts in coordination with the Department of Agriculture in the field of nurturing improved, high yielding varieties of oilseeds. Officers of State Government Departments in different States should be directed to mobilize farmers' groups from respective areas to participate in live demonstrations on scientific crop production technologies of oilseeds. The Department of Food and Public Distribution in coordination with Department of Agriculture should arrange direct interaction between scientists, farmers and agro industry personnel. They should also arrange organized farmers' visit to experimental fields of IARI. Besides this, farmers should be encouraged by some incentives based plans/schemes for opting for production of oilseeds. The Committee recommend to the Department to take initiatives on the lines suggested in consultation with the other ministries so involved.

Action Taken by the Government

2.31 The subject matter relating to latest research, new technology and measures to raise oilseed production lies within the purview of Ministry of Agriculture. The matter has been taken up with that Ministry. As per information received from Ministry of Agriculture, the Department of Agriculture and Cooperation is implementing a Centrally Sponsored Integrated Scheme of Oilseed, Pulses, Oil Palm and Maize (ISOPOM) in 14 major pulses growing States w.e.f. 1.4.2004. Oilseeds are mainly grown on marginal and sub-marginal land under rainfed conditions with low input usage. Only 27% area of oilseeds is irrigated, exposing most oilseeds production to weather related yield risks. The production of oilseeds has increased from 251.86 lakh tonnes in 2003-04 (prior to ISOPOM) to 324.79 lakh tonnes in 2010-11 with improvement in productivity from 1064 kg/ha to 1193 kg/ha during the same period. The production of oilseeds in 2010-11 was achieved at 324.79 lakh tonnes which was an all time record.

The following interventions are available to enhance increase in production of oilseeds under ISOPOM.

- **Seeds:** Assistance for purchase of breeder seed and also for production of foundation seed and certified seed.

- **Other inputs:** Distribution of plant protection chemicals, plant protection equipments, weedicides, supply of rhizobium culture/phosphate solubilising bacteria, distribution of gypsum/pyrite/liming/dolomite.
- **Irrigation:** Distribution of sprinkler sets and water carrying pipes.
- **Information Education and Communication (IEC):** Including publicity and demonstration (Block and Integrated Pest Management (IPM).
- **Minikits:** Seed minikits of oilseeds are supplied to the states for the varieties/hybrids released during last 10 years free of cost.
- **Seed Infrastructure:** Assistance is also given for creation of seed production infrastructure at government farms for production of quality seeds.
- **Training:** Training of farmers and extension workers.

2. In order to popularize new varieties and newly developed technologies, block demonstration, Integrated Pest Management (IPM) demonstration and frontline are conducted on the farms of growers under the supervision of Subject Matter Specialist and scientists besides trainings to the farmers for adoption of new technologies including new varieties. The State Governments organize exposure visits of farmers in different oilseeds development programme under ISOPOM, provides opportunity to the oilseed growers for interaction with scientists and other stakeholders under the trainings programmes at State level.

3. Besides, ISOPOM, Macro Management of Agriculture (MMA) Scheme provides assistance for oilseeds development to the States not covered under ISOPOM. Under Rashtriya Krishi Vikas Yojana (RKVY), the States can support crop development activities approved by the State Level Sanctioning Committee headed by the Chief Secretary of the State.

4. Union Finance Minister in his budget speech for 2012-13 announced Mission on Oilseeds and Oil Palm during XII Plan period to strengthen and focus on oilseeds and oil palm production.

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Recommendation (Sl. No. 27, Para No. 7.13)

2.32 The Committee are concerned to note that the number of surprise visits and other inspections of the vanaspati manufacturing units carried out by the officials of DVVO&F and samples analyzed for the last three years is on the decline. The number of inspections done during 2010-11 was 915 which declined to 290 during 2011-12. Similarly, number of samples analyzed during the year 2010-11 was 3180 which declined to 2299 in 2011-12. The Committee feel that in a vast country like ours where edible oils are the main cooking medium and adulteration of edible oils is so widespread, number of inspections being carried out and samples being analyzed are almost negligible. The Committee, therefore, recommend that to keep a check on the adulteration of edible oils which is so rampant in our country, and to ensure quality control, the number of inspections and samples analysis should be increased and strict action should be taken against the offenders.

Action Taken by the Government

2.33 The Directorate of Vanaspati, Vegetable Oils and Fats (DVVO&F) was entrusted with inspection and analysis of samples from industries at the production level under Vegetable Oil Products (Regulation) Order, 1998. The regulatory functions have been taken over by FSSAI under Food Safety and Standards Act, 2006 which has been implemented w.e.f. 5th August, 2011. The work of inspection and analysis of samples has been entrusted with Food Safety and Standards Authority of India (FSSAI) w.e.f. 5th August, 2011. Therefore the number of inspections carried out and number of samples analyzed by the officials of DVVOF is less during 2011-12 which is upto 4th August, 2011 as compared to previous year 2010-11.

The matter has been taken up with Food Safety and Standards Authority of India (FSSAI) (Ministry of Health and Family Welfare). As per information received from FSSAI, the Food Safety and Standards Act, 2006 was passed by the Parliament during 2006 in order to consolidate all the laws relating to food and to establish the Safety and Standards Authority of India (FSSAI) for laying down science based standards for articles of food and to regulate their manufacture, storage, distribution, sale and import, to ensure availability of safe and wholesome food for human consumption and for matters connected therewith or incidental thereto. By virtue of the mandate given to FSSAI, Rules and Regulations hitherto implemented under various regulatory orders had been repealed with effect from 5th August 2011. These repealed orders include (i) Prevention of Food Adulteration Act, 1954; (ii) Vegetable Oil Products (Regulation) Order, 1998; (iii) Edible Oils Packaging (Regulation) Order, 1998 and (iv) Solvent Extracted Oils, De-oiled Meals and Edible Flour (Control) Order, 1967.

Various Regulations have been notified and being implemented with effect from 5th August 2011 under the Food Safety and Standards Act, 2006. Granting of Licenses and Registrations to Food Business Operator are in progress. Various Enforcement machineries have been put in place to ensure effective Enforcement of the Act and Regulations notified therein. All the States/UTs have

notified their Food Safety Commissioners. Testing Laboratories, both Governmental and Private, had been accredited for smooth disposal of samples from throughout the country. Various laboratories in States/UTs have been authorized to carryout analysis of Food samples including edible oils.

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Comments of the Committee

(Please see Para No. 1.23 of Chapter-I of the Report)

CHAPTER III

OBSERVATIONS/RECOMMENDATIONS WHICH THE COMMITTEE DO NOT DESIRE TO PURSUE IN VIEW OF THE GOVERNMENT'S REPLIES

Recommendation (Sl.No.10, Para No.4.7)

3.1 The Committee are concerned to note that a huge amount of Rs. 2890.82 crore each for the year 2009-10, 2010-11 and 2011-12, respectively are outstanding dues of FCI which are to be recovered from Ministry of Rural Development. Further, Rs. 286.36 crore and Rs. 191.01 crore for the year 2009-10 and 2010-11, respectively are outstanding against the Ministry of Human Resource Development on account of providing foodgrains for various welfare schemes on payment basis. In case of Ministry of Human Resource Development, a revolving fund of Rs. 300 crore has been provided by the Ministry of HRD. Besides this, Rs.54.05 crore extra have been received from Ministry of Human Resource Development as account settlement in absence of bill-wise settlement. The Committee are surprised to note that there was no time limit for making payment by Ministry of Rural Development for foodgrains supplied under SGRY Scheme. In respect of Mid-Day-Meal scheme of MoHRD, there is a time limit of 20 days for making payment after submission of bills in the subsequent month (time for submission of bills is 10 days) by the District Authorities under the decentralized scheme of payment. However, the prescribed time limit is not adhered to strictly by MoHRD as it depends on allocation of funds by Ministry of Finance. The Committee find that despite various steps taken by the Department of Food and even after intervention at Minister's level with the Ministry of Finance and other concerned ministries, i.e. Ministry of Rural Development and Ministry of Human Resource Development, the outstanding dues are still very high. The Committee feel that inability to liquidate the outstanding dues of FCI over the years indicate financial indiscipline. The Committee view this with grave concern and desire that the Department should find ways and means to deal with the situation and make regular and continuous efforts at the highest level for liquidation of the outstanding dues at the earliest to avoid undue burden on food subsidy bill. The Committee also desire that a time limit should be fixed within which the Ministries may be asked to make payments in future failing which some penal interest be levied.

Action Taken by the Government

3.2 The matter for recovery of outstanding dues of Food Corporation of India (FCI) for the past year has been constantly pursued including at highest level with Ministry of Rural Development (MoRD). At present, no foodgrains is being supplied by FCI under any scheme of MoRD.

In case of Ministry of Human Resources Development, they are being constantly pursued to realize the outstanding dues of FCI. Consequently, the amount of outstanding dues against MoHRD has been reduced from Rs.265.42 crore in 2009-10 to Rs.129.40 crore as on 31.03.2012.

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Recommendation (Sl.No.11, Para No.4.12)

3.3 The Committee are deeply concerned to note that a large part of the food subsidy goes towards meeting the establishment cost of FCI which is increasing year after year. Establishment cost for the year 2009-10, 2010-11 and 2011-12 is Rs. 1826.65, Rs. 2514.48 and Rs.2972.91 crore, respectively. Reason cited for increase in the establishment cost since 2008-09 is the increase in average wages, consequent to pay revision, and also induction of fresh employees. Taking into consideration the ever increasing food subsidy bill over the years, the Committee recommend that the FCI should take concrete measures to bring down the establishment cost which will help in reducing the ever increasing burden on Food Subsidy Bill. The Committee, therefore, strongly recommend that ways and means should be devised to contain the establishment cost so as to ensure the benefits of food subsidy to the ultimate beneficiary.

Action Taken by the Government

3.4 Food Corporation of India is following instructions on economy measures and rationalization of expenditure issued from time to time by the Government of India to keep the establishment cost to its barest minimum.

It is also informed that after restructuring of manpower in FCI in 2010, sanctioned strength has been reduced from 55045 to 36515 posts (excluding Hindi and Watch & Ward posts) with the approval of Govt. of India. Thus the sanctioned strength has been reduced by nearly 33% which is likely to significantly contribute towards bringing down the establishment cost.

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Recommendation (Sl.No.12, Para No.4.17)

3.5 The Committee note with concern that utilization of CAP (owned) capacity by FCI during 2012 (as on 29.02.2012) is 29% whereas utilization of CAP (hired) capacity is 64%. Thus, under utilization of owned capacity and hiring of godowns when under- utilized owned capacity is available, appears to be irrational and leading to avoidable expenditure of precious funds which can be utilized elsewhere. The Committee feel that due to lack of integrated approach by the Department in disseminating the information about availability of storage space as well as the new programmes of construction of storage space, the small scale farmers cannot utilize/avail the space which eventually result into non-achievement of the targets fixed by the Department. The Committee, therefore, desire that the Department should bring out brochure/pamphlet of various schemes/programmes including storage facilities available to the farmers to enable them to avail the benefits so that the storage space is put to maximum use. The same should also be distributed to MPs/MLAs/MLCs of the respective areas for their information. The Committee are also unhappy to note that the rent paid by FCI for hiring of godowns is constantly on the rise for the last three years. The Committee express their deep anguish over under utilization of owned capacity of the godowns and high rent being paid on account of hiring of godowns, which clearly reflects lack of planning and improper management on the part of FCI. The Committee, therefore, strongly recommend that FCI should re-assess their requirement of storage space and utilize their owned capacity to the maximum before hiring any storage capacity in order to save precious funds spent on hiring the storage space. The Committee would like to be apprised of the steps taken in this direction and also the reasons for under utilization of owned capacity and hiring of godowns.

Action Taken by the Government

3.6 The CAP (Cover And Plinth) capacity is used as a temporary mode of storage for a short duration only when no covered capacity is available at a particular location. Further, this capacity is used to store wheat/paddy only and not rice. These factors are responsible for lower utilization of CAP capacity as it is utilized only as a last resort and that too for wheat/paddy only.

It is further submitted that FCI deals with seasonal commodities like wheat, paddy, rice and the assessment of required storage capacity for these commodities is made on the basis of peak season requirements. As capacities/godowns are generally hired for a minimum period of one year, it would be appropriate to judge the utilization of capacity during the peak season. During the procurement months of April to June, wheat is procured in the states of Punjab, Haryana, M.P. and U.P. etc. which is despatched to the consuming states throughout the year. Therefore the capacity utilization of CAP capacity, which is mainly concentrated in wheat procuring states, is high during the peak season but goes on declining continuously as the stocks are despatched to the consuming areas/states throughout the year.

To illustrate the above, the utilization of CAP capacity as on 31.7.2011 is given as under:

	Owned	Hired	Total
Capacity (in Lakh MT)	**26.36**	**9.38**	**35.74**
Stock (in Lakh MT)	**15.83**	**11.11**	**26.94**
%age Utilization	**60**	**118**	**75**

The overall utilization of CAP capacity as on 31.7.2011 has been 75% which is equal to the norm of capacity utilization recommended by BICP.

During the year 1990, BICP, in a study conducted under the Chairmanship of Dr. Vijay L. Kelkar, recommended that considering the practical limitations under which FCI has to work the normated level of capacity utilization should be adopted as 75%.

Apart from the limitations discussed above, some of the factors as discussed below are also responsible for low capacity utilization:

i. Availability of foodgrains, pattern of procurement, movement and off-take
ii. Operational Issues
    a. Maintaining Miller wise/Technical Assistance wise identity of stacks
    b. Formation of part stack at a particular point of time after loading /unloading of rakes and receipt and issue of stocks
    c. The minimum required vacant space for accommodation of the incoming rakes against the monthly movement planning.

Also, it may please be noted that the utilization levels suggested/recommended by BICP pertain mainly to covered capacity. The norm in respect of CAP capacity, if any, is bound to be lower in view of the inherent shortcoming of this mode of storage as it is used as a last resort when covered storage is not available and that too for wheat only. Thus the capacity utilization of CAP capacity as on 31.7.2011 given above should be considered adequate.

As far as the lower utilization of owned capacity as compared to the hired capacity is concerned it may please be noted that this is a rather natural phenomenon due to the following reasons:

(i) The Storage Capacity is hired only when there is absolute necessity of the same which becomes all the more reason for it to be fully/more utilized.
(ii) The owned capacity once constructed at a particular place/location cannot be shifted if the same is required at a different location due to changed procurement pattern or change in off take of foodgrains on account of consumer preference etc. whereas the hired capacity can be de hired and re hired as per the requirement making its utilization more than the owned capacity.
(iii) Owned capacities are created at certain remote/hill areas also keeping in view the regional requirements where private parties do not come forward to offer hired capacity. Higher utilization of capacity in such places is not

possible due to various factors such as difficult terrain, improper infrastructure, climatic conditions, limitation of railways/other transportation facilities etc. Examples of the same are NE Zone, Himachal Pradesh, J&K etc.

(iv) Many a times hired capacity is taken on AUB (Actual Utilization Basis) where the capacity hired is shown equal to stock stored there in making the capacity utilization 100% thereby increasing the overall capacity utilization of hired capacity as compared to owned capacity.

(v) Some part of the owned capacity remains under repair and maintenance resulting in overall less utilization as compared to hired capacity because the hired capacity is taken only when it is fully storage worthy.

(vi) Often it is not cost effective to undertake long distance transportation and double handling of food grains just to ensure utilization of FCI vacant space at far off places in place of hiring the fresh storage space at the place where it is required because of proximity to the procurement or consumption centres.

(vii) As has already been stated above, CAP capacity is used only for storage of wheat, many a times this becomes the reason for low utilization of CAP capacity as compared to covered capacity which can be used for all the commodities.

Further, it is brought to the attention that adequate checks and balances are in place in the form of Internal Audit and CAG audit so as to ensure proper utilization of available capacity whether owned or hired and to ensure that no infructuous expenditure is made on account of rental charges by hiring the godowns unnecessarily. Review of capacity utilization is also carried out by Regional Offices/ Zonal Offices/FCI HQs. to ensure optimum utilization of storage capacity and to minimize the cost of storage.

The utilization of storage capacity available with FCI as on 15.05.12 is given as under:

	Covered	**CAP**	**Total**
Capacity (in Lakh MT)	302.64	34.93	337.57
Stock (in Lakh MT)	289.55	26.18	315.73
%age Utilization	95.68	74.93	93.53

From the above, it may please be seen that the overall utilization of capacity has been 93.53% and the capacity utilization of covered capacity, which is a preferred mode of storage, has been 95.68% as on 15.05.12. Even for CAP storage the capacity utilization of 74.93% is almost equal to the optimum utilization norm of 75% given by BICP.

As far as the issue of disseminating the information regarding the storage space available and its requirement is concerned, the same is taken care of as per the extant guidelines. All the information in respect of capacity available with FCI and its utilization is available on the FCI website also. Whenever capacities are hired under various programs like PEG/PWS etc., open tenders are called. Besides this, all this information is also available on the FCI website. However,

the stocks are stored in the FCI godowns only after the same are procured by FCI and therefore, the capacities of FCI cannot be used by the farmers directly.

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Recommendation (Sl.No.18, Para No.5.7)

3.7 The Committee are unhappy to note that expenditure on establishment cost of CWC is constantly increasing despite various remedial measures being adopted by the corporation. The expenditure on establishment cost has risen from Rs. 333.42 crore in 2008-09 to Rs. 450.26 crore in 2011-12. Reasons cited by the corporation for increase in establishment cost is the revision of pay scales, allowances/fringe benefits/enhancement of the ceiling on gratuity and introduction of pension funds for introduction of pension scheme for the employees of the corporation w.e.f. 01.01.2007. The Committee feel that even after taking into account all such factors, establishment cost is still very high. The Committee, therefore, strongly recommend that corporation should devise ways and means, thereby reducing its establishment cost and to further raise its profit.

Action Taken by the Government

3.8 The Central Warehousing Corporation is committed to reduce its establishment cost and to increase its profit. In pursuance of the same, no recruitment is being made against retirement of Group D employees. Only the barest minimum number of induction at the level of Junior Technical Assistants, Accountants and Management Trainees are made to meet the operational requirement besides filling up the backlog of SC/ST vacancies in the Group 'C' posts.

The establishment cost of the Corporation as well as the manpower during the past four years is given below:

(Amount in Crore Rs.)

Year	Total Income	Total Cost	Estt. Cost	% of Estt. Cost to Total Cost	% of Estt. Cost to Total Income	No. of Employees
2008-09	849.25	738.81	333.42	45.13	39.26	5935
2009-10	987.95	824.07	404.70	49.11	40.96	5765
2010-11	1029.55	825.82	355.23	43.02	34.50	5667
2011-12 (Provisional)	1210.28	1050.06	489.57	46.62	40.45	5492

The establishment cost increased from Rs.333.42 crore during 2008-09 to Rs.404.70 crore during 2009-10 due to additional provisions of Rs.92.49 crore on account of gratuity consequent upon enhancement of maximum limit of gratuity from Rs.3.50 lakh to Rs.10.00 lakh due to amendment in the Payment of Gratuity Act, 1972. For the year 2011-12, as per the provisional/unaudited data, the total establishment cost is Rs.489.57 crore as against Rs.355.23 crore during 2010-11. This includes the provisions of Rs.100.29 crore for contribution towards Employees Pension Fund w.e.f. 1.1.2007. If this provision of Rs.100.29 crore is excluded, the ratio of establishment cost to total cost works out to 37.07% as against 43.02% for 2010-11 and ratio of establishment cost to total income works out to 32.16% as against 34.50% for 2010-11. Excluding the provisions of Rs.100.29 crore towards Pension Fund, the increase in the establishment cost during 2011-12 over the previous year 2010-11 works out to about 10% which is

normal due to annual increment, increase in Dearness Allowance, consequent increase towards CPF contributions, etc.

It may, also be seen from the above table that the total manpower of the Corporation is constantly getting reduced. During the period 2008-09 to 2011-12, the number of employees in position has reduced by 443.

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Recommendation (Sl.No.22, Para No.6.7)

3.9 The Committee are happy to note the increased trend of production of sugar for the last three years. The area under sugarcane cultivation which was 41.75 hectare during 2009-10 and 48.84 hectare during 2010-11 has increased to 50.81 hectare during 2011-12 which is 4.03% increase over the previous year. The Committee further note that to make sugar cultivation more profitable, the Government of India is taking various steps such as fixing of adequate Fair and Remunerative Price (FRP) of sugarcane in advance launching of a Centrally Sponsored Scheme on "Sustainable Development on Sugarcane Based Cropping System(SUBACS)" covered under Macro Management mode of Agriculture, the main thrust of which is transfer of improved technologies to the farmers, training of farmers, enhancing seed production and pest measures etc. The Committee hope that Government will continue to take such steps so as to encourage farmers to continue cultivating sugarcane crop so that sugarcane remain equally competitive with other food/cash crops.

Action Taken by the Government

3.10 As noted by the Committee, the Central Government has taken various measures to encourage the farmers to continue cultivating sugarcane and the Government would continue with such measures. The FRP of sugarcane for ensuing sugar season 2012-13, has been determined at Rs. 170/- per quintal linked to a basic recovery rate of 9.5% as compared to Rs. 145/-per quintal for the current 2011-12 sugar season. The Centrally Sponsored Scheme on "Sustainable Development of Sugarcane Based Cropping Systems Areas (SUBACS)" is still in operation under Ministry of Agriculture, for increasing production and productivity of cane. In addition to these measures, funds from Sugar Development Fund (SDF) at concessional rate (2% below the bank rate) are provided to sugar factories for development of cane in their respective areas.

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Recommendation (Sl.No.24, Para No.6.15)

3.11 The Committee are pained to note that cane price arrears to the tune of Rs. 8409.62 crore, Rs. 84.21 crore and Rs. 1406.60 crore for the sugar season 2011-12, 2010-11 and 2009-10, respectively are still outstanding. The Committee desire that Government should take appropriate action under Sugarcane (Control) Order, 1966 under which Central/State Government officers are authorized to recover the arrears of cane price remaining unpaid after 14 days of supply of cane by the growers, together with interest at the rate of 15 per cent. The Committee, however, note that as yet no action has been taken against the sugar mills to recover the cane price. The Committee, therefore, desire that interest of farmers should be protected in such a manner that they continue to cultivate sugarcane without any hindrance. To ensure this, any aid/assistance given to sugar mills should be suspended and strict action should be taken against defaulting mills under the provision of Sugarcane (Control) Order, 1966.

Action Taken by the Government

3.12 The latest figures of cane price arrears, as on 31/05/2012 of various seasons, are tabulated below:-

SL. NO.	STATE	CANE PRICE PAYABLE 2011-12	CANE PRICE PAID 2011-12	CANE PRICE ARREARS 2011-12	%	CANE PRICE ARREARS 2010-11	CANE PRICE ARREARS FOR 2009-10 & EARLIER	TOTAL CANE PRICE ARREARS
1.	PUNJAB	967.32	870.58	96.74	10.00	0.00	0.00	96.74
2.	HARYANA	1221.06	1074.35	146.71	12.01	0.00	0.00	146.71
3.	RAJASTHAN	5.99	3.92	2.07	0.00	0.00	0.00	2.07
4.	U.P.	18066.03	14904.50	3161.53	17.50	7.30	134.98	3303.81
5.	UTTARAKHAND	905.46	669.34	236.12	26.08	17.97	6.30	260.39
6.	M.P.	132.77	132.77	0.00	0.00	2.05	11.34	13.39
7.	GUJARAT	1586.41	1550.15	36.26	2.29	0.00	13.41	49.67
8.	MAHARASHTRA	13251.39	13080.82	170.57	1.29	32.54	17.37	220.48
9.	BIHAR	1054.80	956.78	98.02	9.29	1.67	31.94	131.63
10.	ANDHRA PR.	2366.50	2085.02	281.48	11.89	0.00	33.09	314.57
11.	KARNATAKA	6257.50	5857.05	400.45	6.40	38.77	20.29	459.51
12.	T.N.	3790.82	3342.77	448.05	11.82	0.00	2.15	450.20
13.	ORISSA	56.56	54.54	2.02	3.57	0.00	0.00	2.02
14.	W.BENGAL	10.59	10.57	0.02	0.19	0.00	0.00	0.02
15.	PUDUCHERRY	71.14	29.75	41.39	58.18	0.00	0.00	41.39
16.	GOA	16.17	13.73	2.44	15.09	0.00	0.00	2.44
	TOTAL	**49760.51**	**44636.64**	**5123.87**	**10.30**	**100.30**	**270.87**	**5495.04**

As on 31.05.2012, the cane price arrears of sugar seasons upto 2009-10 and of sugar season 2010-11 are Rs. 270.87 crore and Rs. 100.30 crores as per information submitted by states. For the sugar season 2011-12, out of total cane price dues of Rs.49,760.51 crores, an amount of Rs. 44636.64 crores has been paid, leaving a balance of Rs. 5,123.87cores, which is 10.30 % of the cane price payable.

The cane price arrears of 2010-11 and earlier sugar seasons are mainly because of matters being subjudice before the courts and stay order by courts, etc. The cane price arrears for 2011-12 sugar season are mainly on account of the mismatch between the prices of sugarcane and sugar.

In view of excess production of sugar over domestic requirement in the country during 2010-11 & 2011-12, the Government has allowed export of sugar to augment the liquidity of sugar factories and to enable them to settle cane price arrears. In the process, sugar export of 26.18 lac tons was allowed during 2010-11 sugar season under various categories. Similarly, during, the current sugar season 2011-12, while the Central Government , initially, allowed export of 20 lac tonnes of sugar in two tranches of 10 lac tonnes each under Open General License (OGL) through export release order mechanism (upto 14.05.2012), thereafter, Government has allowed export of sugar under OGL without restrictions subject to prior registration of export quantity with DGFT in terms of Circular No. 62 dated 14.05.2012 subsequently amended vide Circular dated 16.05.2012.

It is relevant to mention here that, the buffer and transport subsidy schemes in the past were formulated with the condition that the settlement of cane price arrears was to be first priority, from the disbursements under these schemes and the subsequent disbursements were linked to the submission of Utilization Certificates to this effect. However this time, domestic surpluses of sugar are being exported, without subsidy burden on the Government and only through timely export decisions and by relaxation of export procedures.

The Sugarcane (Control) Order, 1966 as amended from time to time, already contains the necessary provisions for timely payment of cane prices to sugarcane farmers for sugarcane supplied by them to the sugar mills, and the powers of enforcing the provisions of the said Order relating to payment of cane price dues of sugarcane farmers are delegated and vested with the State Governments concerned who have necessary field formations. In several cases, the State Governments have issued Revenue recovery Certificates to the defaulting sugar mills.

As regards suspension of aid/ assistance to defaulter sugar mills, it is submitted that when sugar prices decline, which generally happens in the years of surplus sugar production, the Central Government, at times, extends assistance to mills through schemes like creation of buffer stock, export subsidy etc. The funds disbursed under such schemes are linked to settlement of cane price arrears as a first priority. If the Government accepts the suggestion of the

committee, it would not be able to extend assistance under these schemes to sugar mills having cane price arrears and ultimately sugarcane farmers may suffer.

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CHAPTER IV

OBSERVATIONS/RECOMMENDATIONS IN RESPECT OF WHICH REPLIES OF THE GOVERNMENT HAVE NOT BEEN ACCEPTED BY THE COMMITTEE

Recommendation (Sl. No. 2 Para No. 3.7)

4.1 The Committee note that the Decentralized Procurement Scheme (DCP) like other schemes of the Department also suffers for want of infrastructural facilities, timely release of funds, submission of utilization certificates and proper planning for distribution of foodgrains. Besides, even after 13 years of its inception, the DCP scheme was undertaken by only 6 States for wheat and 10 States for rice. The Committee feel that DCP scheme is one of the most important schemes being implemented with a view to lessening the burden of FCI and reducing the dependence of Central Government. The Committee feel that the Department/FCI should create necessary infrastructure in coordination with the State Governments in Public Private Partnership (PPP) mode in a time bound manner by using the modern scientific technology so that more and more States opt for the DCP Scheme for procurement of foodgrains. The Committee desire that the Department should also take vigorous steps to motivate the remaining States to adopt the DCP scheme. The specific benefits of adopting the scheme along with the achievement of DCP States should be duly communicated at the highest level through various meetings so as to persuade the States to contribute towards the Central Pool thereby enhancing food security.

Action taken by the Government

4.2 The Scheme of Decentralised Procurement (DCP) of foodgrains was introduced in 1997-98 with a view to enhance the efficiency of procurement and PDS and to encourage local procurement and reduce out go of food subsidy. In it, the States undertake the responsibility of procurement of foodgrains, its scientific storage and distribution through Targeted Public Distribution System (TPDS). The surplus of foodgrains procured by DCP States, in excess of their TPDS requirement is handed over to FCI for the Central Pool stocks and deficit, if any, is met by FCI.

The decision regarding adoption of DCP system lies with the State Governments. The determining factors are infrastructure and resources available with the respective State Governments including manpower, storage and necessary logistics required for procurement and accordingly, State Government's readiness to undertake DCP procurement.

The major infrastructure required for procurement operation is the storage facilities for the foodgrains. For this purpose the Government has launched the Private Entrepreneur Guarantee(PEG) scheme. A capacity of about 151 lakh tonnes is to be created in 19 States under the PEG scheme through private entrepreneurs and Central and State Warehousing Corporations.

At present the States of West Bengal, Madhya Pradesh, Chhattisgarh, Uttrakhand, Andaman & Nicobar Islands, Odisha, Tamil Nadu, Karnataka and Kerala are procuring rice under the decentralized procurement scheme. The States of West Bengal, Madhya Pradesh, Chhattisgarh, Uttarakhand and Gujarat are procuring wheat under the DCP Scheme. Government of Uttar Pradesh had been procuring rice under the DCP Scheme upto KMS 2008-09 but have discontinued the system after this period. Government of Andhra Pradesh, Delhi, Haryana and Sikkim have conveyed their inability to adopt the DCP system of procurement of foodgrains due to infrastructural problems. The Government of India is actively pursuing this issue with the remaining State governments and all possible efforts will be made to encourage the remaining states to adopt the DCP scheme. The Governments of Andhra Pradesh, Assam, Bihar, Jharkhand, Rajasthan and J&K have again been requested to adopt the DCP Scheme. Government of Uttar Pradesh has also been requested to again adopt the DCP scheme.

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Comments of the Committee

(Please see Para No. 1.8 of Chapter –I of the Report)

Recommendation (Sl.No.15, Para No.4.43)

4.3 The Committee note that there is shortfall in the supply of rakes by Railways vis-à-vis the plan of FCI for meeting the PDS requirement in the country. The Committee have been informed that during 2011-12, FCI had planned movement for 13,215 rakes but railways supplied only 10,969 rakes which is about 83% of the planned movement. FCI could have moved about 60 lakh tonnes additional foodgrains if this shortage was not there. Due to this shortfall, many States, especially the two high procuring States i.e. Punjab and Andhra Pradesh have been affected. The other States affected are M.P. (about 6 lakh tones), Chhattisgarh (about 5 lakh tonnes) and Haryana (about 7 lakh tonnes). The Committee have been further informed that FCI prepares monthly Movement Plan based on computerized linear programming indicating date-wise, destination-wise requirement of rakes but railways during 2011-12 has complied with only 40% of the linear programming. The unplanned rakes sent by Railways lead to bunching, detention and consequently FCI suffers financial loss because huge amounts have to be paid to the railways in the form of demurrages. Recently, railways have started imposing 6 times demurrages without considering their own operational problems which is one of the reasons for detention of rakes.

During evidence, the representatives of the Department further informed the Committee that there are large number of railways sidings/goodsheds where the platform itself cannot accommodate full rake i.e. about 40 to 42 wagons. The States where this problem exits are Kerala, Bihar, West Bengal and Jharkhand. According to the Department, Railway Board itself has approved supply of rakes at these locations as two point combinations. But subsequently railway authorities impose restrictions on two point combinations for more than 6 months in a year which leads to problem of detention and inadequate supply of foodgrains on these locations. The Committee desire that Department should regularly monitor the movement of foodgrains and coordinate with railway authorities for additional supply of rakes on priority basis to augment foodgrain stock in the State where shortfall of foodgrains is reported. In the light of the above circumstances/observations, the Committee, also desire the Department to communicate the concern of the Committee to the Ministry of Railways to explore the feasibility of supplying the rakes of atleast 90% of the requirement of FCI and not to impose restrictions on loading under two point combinations for the states of Kerala, West Bengal, Bihar and Jharkhand so that FCI can ensure movement of foodgrains in these States without any hindrance.

Action Taken by the Government

4.4 The Department regularly monitors the movement of foodgrains and takes up the matter with FCI and Railways, in case any shortfall in foodgrain stocks is reported in any State and coordinates for providing additional rakes on priority to augment the foodgrain stocks in that State.

FCI requires rakes under two point combinations throughout the year as some of the centres in Kerala, Jharkhand, Bihar and West Bengal can accommodate rakes in two point combination only. But Railways invariably stops

sponsoring rakes under two point combinations during the busy season i.e. from November to April every year. At present the situation is better due to ongoing lean season.

As recommended by the Committee, the issue of supplying at least 90% rake requirement of FCI and not to impose restrictions on loading of two point combinations has been taken up with Ministry of Railways.

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Comments of the Committee

(Please see Para No. 1.17 of Chapter-I of the Report)

CHAPTER V

OBSERVATIONS/RECOMMENDATIONS IN RESPECT OF WHICH
THE FINAL REPLIES OF THE GOVERNMENT
ARE STILL AWAITED

Recommendation (Sl.No.4, Para No.3.15)

5.1 The Committee note that the proposal of the Department to distribute equivalent amount of food subsidy in cash, instead of subsidized foodgrains, based on request received from States i.e. U.P., Haryana, Delhi and Bihar, to the eligible BPL and AAY families is still under examination in the Department. The Committee hope that the Department of Food and Public Distribution will further pursue the matter with State Governments of U.P. and Bihar for an early decision in the matter.

Action Taken by the Government

5.2 The proposal developed so far could not get due approvals therefore it is being revised. After consultation with the States, it will be taken for approval and implementation

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Recommendation (Sl.No.9, Para No.3.60)

5.3 The Committee note that main objective of the Village Grain Bank scheme is to provide safeguard against starvation during the period of natural calamity or during lean season when the marginalized food insecure households do not have sufficient resources to purchase rations. Such people in need of foodgrains will be able to borrow foodgrains from the Village Grain Bank. The grain banks are to be set up in food scarce areas like the drought prone areas, the hot and cold desert areas, tribal areas and the inaccessible hilly areas which remain cut off because of natural calamities like floods, etc. The Committee also note that about 16,196 Village Grain Banks have been established by the State/UT Governments against 21,751 Village Grain Banks sanctioned by the Department. The Department have also informed that the actual VGBs established may be more than this figure as some States have established VGBs but have not sent complete UCs. The Committee note that based on the findings of the evaluation of the Village Grain Bank Scheme by World Food Programme in three States and by independent agency, it was decided that the scheme may be revised. Accordingly, the scheme is being revised in consultation with the World Food Programme and the independent agency to make it more attractive and effective. The revised scheme will then be submitted for consideration of the Expenditure Finance Committee for approval. The Committee has also been given the impression that the scheme is not successful at large. The Committee, therefore, strongly recommend that the Department should thoroughly modify/revamp the scheme at the earliest to make it viable/effective.

Action Taken by the Government

5.4 The provision of BE 2011-12 of Rs. 10.00 crores has been fully utilized under Village Grain Bank Scheme.

The Department has been actively and seriously pursuing with the State Governments regarding establishment of new VGBs and utilization of funds under Village Grain Bank Scheme. It has been writing to the States and holding review meetings with them to send proposals for setting up of more VGBs. Seven review meetings have been held during 2008 to 2010 and letters were written to the State Food Secretaries. As per the suggestion of the Standing Committee, the Department, has also written at the level of Secretary (F&PD) to the Members of Parliament representing tribal constituencies on 21.4.2011 to consider the need for setting up of VGBs in the villages under their constituencies and send proposals for establishment of VGBs through the State Government concerned. The Department has also written a D.O. letter dated 17.2.2012 from Secretary, F&PD to the Chief Secretaries of all State Governments/UT Administrations for sending their suggestions for modifications in the scheme for consideration.

Based on the recommendations of the evaluation reports of the scheme, feedback obtained from the implementing State Governments and experience gained during the course of implementation of the scheme during the last 7 years, the Department is in the process of reviewing the scheme to examine its continuance/revamping to make it more viable/effective to achieve the objectives of the scheme.

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Recommendation (Sl.No.20, Para No.5.13)

5.5 The Committee note that during 2011-12, CWC achieved the physical target of construction of godowns but failed to achieve the financial target. The Committee have been informed that the financial target could not be achieved because the expenditure as planned for the purchase of land and lorry weigh bridges/wooden crates/ploy pallets/PCC blocks, etc. could not be made due to various constraints. The reasons put forth by CWC is that they are operating 9 warehouses in NE region with a total capacity of 1.02 lakh MTs. and average capacity utilization as on 29th February, 2012 was 88%. Since the existing capacity was not even fully utilized, construction of additional capacity could not be considered. The Committee, however, note that construction of additional storage capacity of 9000 MT in two Warehouses in Assam (CW Sarbhog and CW, Dhubri) planned will be undertaken by CWC during 2012-13. While appreciating the difficulties in construction of godowns in NE region due to difficult geographical conditions, the Committee hope that corporation will make maximum possible efforts in materializing the plan of construction of additional capacity in the vacant lands at Sorbhog and Dhubri at the earliest so that poor persons are not deprived of the benefits of Public Distribution System (PDS).

Action Taken by the Government

5.6 In respect of construction of 2,000 MT capacity at Central Warehouse, Dhubri, the work order has been issued to the contractor and the construction work is likely to commence shortly.

The Project Report in respect of construction of 7,000 MT capacity at Central Warehouse, Sorbhog is at advance stage of finalization. Construction of both these capacities will be undertaken during 2012-13.

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New Delhi;
11th December, 2012
20 Agrahayana, 1934 (Saka)

VILAS MUTTEMWAR,
Chairman,
Standing Committee on Food,
Consumer Affairs and Public Distribution.

APPENDIX I

MINUTES OF THE FIFTEENTH SITTING OF THE STANDING COMMITTEE ON FOOD, CONSUMER AFFAIRS AND PUBLIC DISTRIBUTION (2012-13) HELD ON TUESDAY, THE 11th DECEMBER, 2012

The Committee sat from 1500 hrs. to 1630 hrs. in Committee Room No. 62, Parliament House, New Delhi.

PRESENT

Shri Vilas Muttemwar, M.P. - Chairman

MEMBERS

LOK SABHA

2. Smt. Harsimrat Kaur Badal
3. Shri Shivraj Bhaiya
4. Shri Kantilal Bhuria
5. Shri Arvind Kumar Chaudhary
6. Shri Harishchandra Chavan
7. Shri Eknath M. Gaikwad
8. Shri Ponnam Prabhakar
9. Shri A. Sai Prathap
10. Shri C. Rajendran
11. Shri Chandulal Sahu

RAJYA SABHA

12. Dr. Bhushan Lal Jangde
13. Shri Lalhming Liana
14. Dr. Bharatkumar Raut
15. Dr. T. N. Seema
16. Shri Birendra Singh
17. Shri Kaptan Singh Solanki

SECRETARIAT

1. Shri P. K. Misra - Joint Secretary
2. Smt. Veena Sharma - Director
3. Shri Khakhai Zou - Under Secretary

At the outset, the Hon'ble Chairman welcomed the Members of the Committee to the sitting convened to hear the views and suggestion Prof. M. S. Swaminathan, M.P., Rajya Sabha and Chairman, M. S. Swaminathan Research Foundation on the various provisions of 'The National Food Security Bill, 2011' and to consider and adopt the draft Report of the Committee (2012-13) on the action taken by the Government on the observations/recommendations contained in the Seventeenth Report of the Committee (2011-12) on DFG (2012-13) pertaining to the Ministry of Consumer Affairs, Food and Public Distribution (Department of Food and Public Distribution).

2. XXXXXX XXXXXXX XXXXXXX XXXXXXX XXXXXXXXX

3. XXXXXX XXXXXXX XXXXXXX XXXXXXX XXXXXXXXX

4. The Hon'ble Chairman highlighted the important recommendations contained in the draft Report. The Committee then took up for consideration the draft Report and after due deliberation, the Committee unanimously adopted the draft Report without any amendments/modifications. The Committee then authorized the Chairman to finalize the aforesaid Report and present the same to Parliament in the current Session of Parliament.

A verbatim record of the proceedings has been kept.

The Committee then adjourned.

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APPENDIX II

(*Vide* Para No. 4 of Introduction of the Report)

ANALYSIS OF THE ACTION TAKEN BY THE GOVERNMENT ON THE OBSERVATIONS/RECOMMENDATIONS CONTAINED IN THE TWELFTH REPORT OF THE STANDING COMMITTEE ON FOOD, CONSUMER AFFAIRS AND PUBLIC DISTRIBUTION (2011-12) (FIFTEENTH LOK SABHA)

(i) Total number of Recommendations:- 27

(ii) Observations/Recommendations which have been accepted by the Government:

Serial Nos.:- 1, 3, 5, 6, 7, 8, 13, 14, 16, 17, 19, 21, 23, 25, 26 and 27.

Para Nos.:- 2.6, 3.14, 3.17, 3.33, 3.42, 3.52, 4.23, 4.42, 4.44, 4.48, 5.9, 5.17, 6.10, 6.20, 7.7 and 7.13.

(Chapter – II, Total - 16)

Percentage: 59.26%

(iii) Observations/Recommendations which the Committee do not desire to pursue in view of the replies received from the Government
Serial Nos.:- 10, 11, 12, 18, 22 and 24

(Para Nos.: – 4.7, 4.12, 4.17, 5.7, 6.7and 6.15)

(Chapter – III, Total - 6)

Percentage: 22.22%

(iv) Observations/Recommendations in respect of which replies of the Government have not been accepted by the Committee and which require reiteration:
Serial No.:- 2 and 15.

(Para No.:– 3.7 and 4.43)

(Chapter – IV, Total -2)

Percentage: 7.41%

(v) Observations/Recommendations in respect of which the interim replies of the Government have been received.
Serial No.:- 4, 9 and 20.

(Para No. :– 3.15, 3.60 and 5.13)

(Chapter – V, Total - 3)

Percentage: 11.11%